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Community Development Assessment for the State of Utah: A Guide to Utah's Community Development Environment

Community Development Department

Federal Reserve Bank of San Francisco

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COMMUNITY DEVELOPMENT ASSESSMENT
FOR
THE STATE OF UTAH

A GUIDE TO UTAH'S
COMMUNITY DEVELOPMENT ENVIRONMENT

COMMUNITY DEVELOPMENT DEPARTMENT

FEDERAL RESERVE BANK OF SAN FRANCISCO

FOREWORD

Ethan Jennings
December 2004

The Community Affairs Department of the Federal Reserve Bank of San Francisco has developed a new series of reports for the nine states in the Twelfth District that both detail the demographic, economic, governmental, and institutional underpinnings of each state and provide an analysis of the various community development needs within each state. These reports, which we are calling "Environmental Assessments," are meant to provide a framework for the array of community development activities that the department undertakes across the District. The hope is that the reports will not only provide a helpful compilation of existing community development needs and resources for each state, but will also allow us to target our time and resources to those areas that both show the greatest need and offer the opportunity for the most meaningful role.

We hope that you will find these Environmental Assessments useful and that the information presented will enhance your understanding of the state of community development in each location.

We look forward to your comments and suggestions.

Joy Hoffmann
Vice President
Community Affairs Department

Jack Richards
Senior Community Affairs Manager
Community Affairs Department

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METHODOLOGY

In an attempt to provide a framework for performing our own community development work, the Community Affairs Department of the Federal Reserve Bank of San Francisco has produced separate reports entitled "environmental assessments" for each of the nine states which comprise the Federal Reserve's Twelfth District: Alaska, Arizona, California, Hawaii, Idaho, Nevada, Oregon, Washington, and Utah. Each report is divided into two sections: one covering the overall "Community Development Environment" in the state, and the other covering the "Community Development Needs and Resources" in the state. These environmental assessments are intended to bring together available research and information in both of these areas.

Chapters in the "Community Development Environment" section cover the demographic, economic, governmental, and institutional underpinnings in each state, providing detail on each state's industrial structure, economic outlook, banking system, nonprofit groups, and government departments involved in community development. The second section of each report delves into four areas of "Community Development Needs and Resources:" affordable housing, small business, poverty and asset accumulation, and issues specific to native people and immigrants.

A key resource for both the data and the approach taken in this effort was the *2002 State Asset Development Report Card*, published by an influential research and advocacy organization, CFED (formerly known as the Corporation for Enterprise Development). CFED's report analyzes a great deal of data on a range of factors affecting asset accumulation and poverty for each state in the nation. The CFED report divides its analysis into separate evaluations of "Asset Outcomes" and "Asset Policies" for each state, producing an overall grade (A, B, C, D, or F) for each. Not only do our reports reference virtually all of the individual rankings which feed into CFED's two overall grades, but they also follow a somewhat similar approach in dividing each of the community development areas in each state (affordable housing, small business, poverty and asset accumulation, and native people and immigrant issues) between "needs" and "resources" in a manner similar to CFED's "Asset Outcomes" and "Asset Policies."

The reports then build on these CFED comparisons by drawing on the considerable resources already produced by a variety of national and local organizations in these subject areas for each state, pulling together their major data, analyses, and conclusions into one single report. The reports were designed by Scott Turner, who managed the project, with additional oversight and editing by Jack Richards. This Utah Environmental Assessment was written by Ethan Jennings, a second year student of the Goldman School of Public Policy at the University of California, Berkeley. The Environmental Assessment was also supported by significant data and material gather by Craig Nolte of the Community Affairs Department's field staff. Websites referenced in this report were accessed between September and December of 2004, and we have attempted to provide accurate links to content referenced, although content and/or location may change over time. We should note here that while the Federal Reserve Bank of San Francisco sponsored these environmental assessments, they reflect only the views of the author.

We gratefully acknowledge the community development practitioners in each state who agreed to review drafts of these reports and provide helpful feedback. In addition, we have attempted to ensure there are no errors or omissions in this report, but encourage you to contact us if you believe important changes are warranted. Please contact us by the end of February 2005, and we will be pleased to make appropriate revisions and post an edited version of the reports on our website in March 2005.

CONCLUSIONS

COMMUNITY DEVELOPMENT ENVIRONMENT

1. Demographics

Utah is the 13th-largest state in total area, covering 84,904 square miles.[1] The state experienced rapid population growth of 5.3% between 2000 and 2003, the eighth highest in the nation.[2] As of July 2004, the **state's population was estimated at 2.47 million**,[3] with 180,000 residents in Salt Lake City, the state's largest urban area.[4] While the **state population posted a remarkable 29.6% growth between 1990 and 2000** (the fourth-fastest growth nationwide), the Provo-Orem MSA grew even faster during the decade, ranking as the 10th-fastest growing MSA in the country.[5] Utah has a more predominantly White population than the U.S. on average, and smaller percentages of Blacks/African-Americans and Hispanics/Latinos.[6]

2. Economy

Utah's economy totaled $75.8 billion in 2003, making it the **33rd-largest state economy** in the country.[7] The state's **unemployment rate has been consistently better than the U.S. rate**, averaging 5.8% in 2003,[8] although Utah had the fourth-lowest personal income per capita in that year.[9] Utah's **economic outlook is extremely positive** due to the state's projected strong employment growth in high-paying jobs in the professional and business service and educational sectors. **Manufacturing in Utah has also posted strong growth,** mostly a result of the awarding of significant defense contracts.[10]

3. Governmental and Financial Sectors

Utah's **state government is in a sound fiscal position**, experiencing a $1.9 billion surplus in state funds in FY 2003.[11] Not surprisingly, the state earns top bond ratings on its obligations from the major credit rating agencies.[12] In its financial sector, Utah had **three operating Community Development Financial Institutions** as of November 2004,[13] as well as 73 FDIC-insured institutions operating in the state with combined deposits in the state of $102 billion.[14] Among these 73 institutions are numerous **state-chartered industrial banks**, which in 2004

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[1] Netstate.com, *The Geography of Utah*, http://www.netstate.com/states/geography/ut_geography.com.
[2] U.S. Census Bureau, *Utah QuickFacts*, http://quickfacts.census.gov/qfd/.
[3] Utah Population Estimates Committee, *State of Utah Population Estimates, Net Migration, Births and Deaths*, http://governor.utah.gov/dea/UPEC/04StatePop.pdf.
[4] Utah Governor's Office of Planning and Budget, *2004 Economic Report to the Governor*, January 2004, http://www.governor.utah.gov/dea.
[5] U.S. Census Bureau, *Population Change and Distribution, 1990-2000*, http://www.census.gov/prod/2001pubs/c2kbr01-2.pdf.
[6] U.S. Census Bureau, *Utah QuickFacts*.
[7] Bureau of Economic Analysis, *Regional Economic Accounts*, http://www.bea.gov/bea/regional/gsp.htm.
[8] Utah Governor's Office of Planning and Budget, *2004 Economic Report.*
[9] Bureau of Economic Analysis, *Regional Economic Accounts*.
[10] Utah Governor's Office of Planning and Budget, *2004 Economic Report.*
[11] State of Utah Division of Finance, *Comprehensive Annual Financial Report for FY Ended June 30, 2003.*
[12] California State Treasurer's Office, *Comparison of Other States' General Obligation Bond Ratings*, December 2004.
[13] CDFI Fund, *CDFI State Profile – Utah*, 2004. http://www.cdfi.org/stateprof.asp.
[14] FDIC, *Deposit Market Share Report: Utah*, June 2004.

accounted for more than 40% of financial institutions in the state with more than 50% of the state's banking assets.[15] Utah's 119 credit unions hold just 5.4% of combined financial assets in the state.[16]

COMMUNITY DEVELOPMENT NEEDS AND RESOURCES

1. Affordable Housing

Utah faces modest affordable housing challenges. The state's housing stock grew 27.9% between 1990 and 2000 (the fourth-highest rate nationally), and **homeownership also increased** during this time period, growing at the **fifth-fastest rate in the country**.[17] **Utah ranked slightly above average in its housing affordability at 19th nationwide**, although in 2004, more than one fifth of renters were spending more than 50% of their income on housing.[18] **Utah ranks in the top half nationally (17th) in homeownership, with 72.7% of residents owning their homes**. This is notable given the high median value of homes in the state.[19] Utah has made efforts to improve housing affordability, including a state housing trust fund and property tax circuit breakers, but operates only two of six first-time homebuyer assistance programs.[20]

2. Small Business

Small business is important to Utah's economy, but less so than in other Western states: 75% of all firms employ fewer than 10 workers, and **just over 10% of workers in the state are employed by such firms (ranking Utah 36th in the nation)**.[21] Business bankruptcies were down 13.8% in 2003,[22] but **access to credit remains an issue for small businesses**: Utah ranks a below-median 29th in the level of private loans to small businesses and earns the same ranking for its small business entrepreneurship rate.[23] The state also earns only average scores in gender and racial cross-sections of small business ownership data,[24] indicating that there is room for improvement in the minority business environment.

3. Poverty and Asset Accumulation

Asset poverty may be the single most important community development issue in Utah. Between 2001 and 2003, **Utah's poverty rate averaged 9.8% (17th-best nationwide)**. Yet the state has a low **net worth per household[25] and the highest personal bankruptcy rate in the country.[26]** In addition, real per capita income in Utah actually decreased slightly between 2002

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[15] FDIC, *Utah State Profile*, Fall 2004; more information about industrial banks is available at http://www.dfi.utah.gov/whatisIB.htm.
[16] Credit Union National Association, *State Fact Sheet – Utah*, http://www.cuna.org/download/utah_fs.pdf.
[17] U.S. Department of Housing and Urban Development, 2000 Census Results: Housing Trends 1990-2000, Table 1, U.S. Housing Market Conditions, Summer 2001, http://www.huduser.org/periodicals/ushmc/summer2001/summary-2.html.
[18] NLIHC, *Up Against a Wall*, November 2004, http://www.nlihc.org/pubs/uaw04/newrankingtables.pdf.
[19] Governor's Office of Planning and Budget, *Utah Data Guide*, Summer 2003.
[20] CFED, *State Asset Development Report Card (SADRC)*, 2002.
[21] U.S. Census Bureau, *County Business Patterns 2001*.
[22] U.S. Small Business Administration, *Small Business Economic Indicators for 2003*, August 2004, http://www.sba.gov/advo/stats/sbei03.pdf.
[23] CFED, *SADRC*.
[24] Ibid.
[25] Ibid.
[26] American Bankruptcy Institute, *U.S. Bankruptcy Statistics*, http://www.abiworld.org/statcharts/HouseRank.htm.

and 2003, and as many as 32% of the impoverished in Utah lack health insurance. [27] Utah scores respectably on measures of educational attainment, with 26% of Utahns over 25 having a college degree (20th).[28] Inequality in educational attainment by race is relatively small, but **the gender gap in the state poses a problem**: men have a 47% higher attendance rate in higher education than women (the eighth-largest gap nationally).[29] Utah has taken steps to address its asset accumulation-related challenges by supporting IDAs, having passed IDA legislation in 1997 and integrated TANF credits into its IDA policy.[30] The nascent Utah IDA network is also increasing access to IDAs in the state.

4. Native Americans and Immigrants

Utah ranks 11th in the percentage of state population (1.3%) accounted for by the American Indian/Alaska Native (AIAN) population.[31] The state has seven reservations that were home to more than 25,000 American Indians as of 2000.[32] **Housing conditions and poverty levels for the AIAN population are uniformly worse than the state averages**: in 2000, the AIAN poverty rate was 33.4%, the median value of AIAN-owned homes was well below the state mean, and nearly 40% AIAN renters were paying more than 30% of their income towards rent.[33]

Approximately **7% of Utahns are foreign born, the 19th-largest population share nationwide**. The foreign-born population grew 171% in Utah between 1990 and 2000, the fifth-fastest rate of growth and three times as much as the national average of 57.4%. **Nineteen percent of the foreign born in Utah live in poverty, and significantly fewer foreign born in Utah are citizens** (30% in Utah versus 40% nationwide). Most immigration to Utah is from Latin America (55%), Asia (18%), and Europe (16%).[34]

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[27] Utah Issues, *State of Working Utah*: *2004*.
[28] U.S. Census Bureau, 2003 American Communities Survey Data, http://www.census.gov/acs/www/.
[29] CFED, *SADRC*.
[30] George Warren Brown School of Social Work, Center for Social Development, *State Assets Policy – Utah*, http://gwbweb.wustl.edu/csd/policy/states/utah.html.
[31] U.S. Census Bureau, Census 2000 Data.
[32] Utah Governor's Office of Planning and Budget, American Indian Reservation Population 2000, http://www.governor.state.ut.us/dea/HTMLBriefs/RaceBrief/Reservation/83.htm.
[33] U.S. Census Bureau, Census 2000 Data.
[34] Ibid.

STATE OF UTAH
SELECTED COMMUNITY DEVELOPMENT INDICATORS

Affordable Housing	*Rate*	*State Rank*
Homeownership Rate[35]	72.7%	17th
Rental Affordability Rate[36]	--	19th
Severely Cost-Burdened Renter Households[37]	21.9%	24th
Small Business		
Small Business Employment Rate[38]	10.3%	36th
Entrepreneurship Rate[39]	11.6%	29th
Level of Private Loans to Small Business[40]	--	29th
Poverty and Asset Accumulation		
Poverty Rate[41]	9.8%	17th
Households with Zero Net Worth[42]	14.9%	27th
Personal Bankruptcy Rate[43]	27.4	50th
Native Americans and Immigrants		
Native American Population[44]	1.3%	11th
Native American Poverty Rate[45]	33.4%	--
Foreign-Born Population[46]	7.1%	19th
Foreign-Born Poverty Rate[47]	19.4%	--

[35] U.S. Census Bureau, *U.S. Statistical Abstract 2003*; represents the percentage of housing units that are occupied by owners, ranked from highest percentage (1st)
[36] NLIHC; *Up Against a Wall*, November 2004; rank is calculated based on a weighted average of the state's median gross rent, renter market affordability ratio, and percent of severely cost-burdened renters, ranked from most affordable (1st)
[37] Ibid.*;* represents the percentage of renter households in the state spending more than 50% of income on rent in 2003, ranked from lowest percentage (1st)
[38] U.S. Census Bureau, *County Business Patterns 2001*; represents the share of total state employment attributable to firms with ten or fewer employees, ranked from highest share (1st)
[39] CFED, *SADRC;* represents the percentage of the labor force that owns employer or non-employer firms as of 2000, ranked from highest percentage (1st)
[40] Ibid.*;* represents the dollar amount of private business loans under $1 million per workers, ranked from highest amount (1st)
[41] U.S. Census Bureau, *Income, Poverty and Health Insurance Coverage in the United States: 2003*; represents the average percentage of people living below the federal poverty level during the period from 2001 to 2003, ranked from lowest percentage (1st)
[42] CFED, *SADRC;* represents the percentage of households with zero or negative net worth, ranked from lowest percentage (1st)
[43] American Bankruptcy Institute; represents personal bankruptcy filings in 2003 per thousand households in the state, ranked from fewest filings (1st)
[44] U.S. Census Bureau, *Census 2000;* represents the percentage of the state's population composed of Native Americans and Alaska Natives (only), ranked from highest percentage (1st)
[45] Ibid.*;* represents the percentage of Native American/Alaska Native (only) individuals living below the federal poverty level at any time in 1999
[46] Ibid.*;* represents the percentage of the state's population composed of foreign-born individuals, ranked from highest percentage (1st)
[47] Ibid.*;* represents the percentage of foreign-born individuals living below the federal poverty level at any time in 1999

I. DEMOGRAPHICS

1. Geography

Utah is the nation's 13th-largest state with 82,168 square miles of land area and 2,736 square miles of water area.[48] The predominant owners of land in Utah are government agencies: the U.S. Forest Service owns 14.4% and the Bureau of Land Management owns 42%, while private owners hold only 21.6% of land in Utah.[49]

Source: Infoplease.com

2. Population

Utah's 2004 population was 2,469,230.[50] The largest cities in 2003 were Salt Lake City

[48] Netstate.com, *The Geography of Utah*. http://www.netstate.com/states/geography/ut_geography.htm.
[49] Utah State University Department of Geography and Earth Resources, *Utah Land Ownership*, http://www.nr.usu.edu/Geography-Department/utgeog/landown.html.
[50] Utah Population Estimates Committee, *State of Utah Population Estimates, Net Migration, Births and Deaths*, http://governor.utah.gov/dea/UPEC/04StatePop.pdf.

(179,894), West Valley City (111,687) and Provo (105,410).[51] In 2000, Utah ranked 34th in overall population and 41st in population density (26.3 persons per square mile).[52] Population growth between 1990 and 2000 was 30%, far above the national average of 13.1%.[53] The median age in Utah was 27.7 in 2003, compared to 36.0 nationally.[54]

Population by County, 1990 and 2000

County / Multi-County Area	*1990*	*2000*	*% Change*
Statewide	**1,722,850**	**2,233,169**	**29.6**
Bear River Area	*108,393*	*136,097*	*25.6*
Box Elder	36,485	42,745	17.2
Cache	70,183	91,391	30.2
Rich	1,725	1,961	13.7
Wasatch Front Area	*1,104,356*	*1,381,778*	*25.1*
Davis	187,941	238,994	27.2
Morgan	5,528	7,129	29
Salt Lake	725,956	898,387	23.8
Tooele	26,601	40,735	53.1
Weber	158,330	196,533	24.1
Mountainland Area	*289,197*	*413,487*	*43*
Summit	15,518	29,736	91.6
Utah	263,590	368,536	39.8
Wasatch	10,089	15,215	50.8
Central Area	*52,294*	*66,192*	*26.6*
Juab	5,817	8,238	41.6
Millard	11,333	12,405	9.5
Piute	1,277	1,435	12.4
Sanpete	16,259	22,763	40
Sevier	15,431	18,842	22.1
Wayne	2,177	2,509	15.3
Southwest Area	*83,263*	*140,919*	*69.3*
Beaver	4,765	6,005	26
Garfield	3,980	4,735	19
Iron	20,789	33,779	62.5
Kane	5,169	6,046	17
Washington	48,560	90,354	86.1
Uintah Area	*35,546*	*40,516*	*14*
Daggett	690	921	33.5
Duchesne	12,645	14,371	13.7
Uintah	22,211	25,224	13.6
Southeast Area	*49,801*	*54,180*	*8.8*
Carbon	20,228	20,422	1
Emery	10,332	10,860	5.1
Grand	6,620	8,485	28.2
San Juan	12,621	14,413	14.2

Source: U.S. Census Bureau, Census 2000 Data.

[51] U.S. Census Bureau, Census estimates for July 2003.
[52] Netstate.com, *Census 2000 State Population Information*, http://www.netstate.com/states/tables/st_population.htm.
[53] U.S. Census Bureau, *Population Change and Distribution, 1990-2000*, http://www.census.gov/prod/2001pubs/c2kbr01-2.pdf.
[54] U.S. Census Bureau, 2003 American Community Survey Data.

3. Metropolitan Statistical Areas

In 2003, Utah had five MSAs:

Population by MSA, 2003

	2000 Population	*2003 Population*	*Numerical Change*	*Percent Growth*
Logan	102,720	107,538	4,818	4.7%
Ogden-Cleafield	442,656	468,942	26,286	5.9%
Provo-Orem	376,774	406,851	30,077	8.0%
St. George	90,354	104,132	13,778	15.2%
Salt Lake City	968,858	1,005,232	36,374	3.8%

Source: U.S. Census Bureau[55]

4. Race and Ethnicity

The demographics of the state exhibit a high degree of difference from the rest of the country: Utah has a more predominantly White, American Indian/Alaska Native, and Hawaiian/Pacific Islander population than the U.S. as a whole. Utah also has dramatically fewer Blacks/African Americans and slightly fewer Hispanics/Latinos than the U.S. on average.

Population by Race, 2000

Race	*Number*	*% State Population*	*% U.S. Population*
White	1,992,975	89.2	75.1
Black or African American	17,657	0.8	12.3
American Indian/Alaska Native	29,684	1.3	0.9
Asian	37,108	1.7	3.6
Native Hawaiian/Pacific Islander	15,145	0.7	0.1
Other race	93,405	4.2	5.5
Two or more races	47,195	2.1	2.4
Hispanic or Latino (of any race)	201,559	9	12.5

Source: U.S. Census Bureau, Census 2000 Data.
* Persons of Hispanic or Latino Origin may be of any race

5. Educational Attainment

High school attainment for Utahns is notably above national averages, and college graduation rates are comparable. Ninety percent of Utahns over 25 have completed high school or its equivalent (fifth) and 26.2% have a bachelor's degree or higher (21st). The national rates in 2003 were 83.6% and 26.5%, respectively.[56]

[55] New MSAs have not existed long enough to provide comparative population data from 1990. Missouri Census Data Center, *Populations of Metropolitan Statistical Areas for US: 2000 Census and July, 2003 Estimate*, http://mcdc2.missouri.edu/webrepts/geography/metropops03.pdf.
[56] U.S. Census Bureau, 2003 American Community Survey Data.

II. ECONOMY

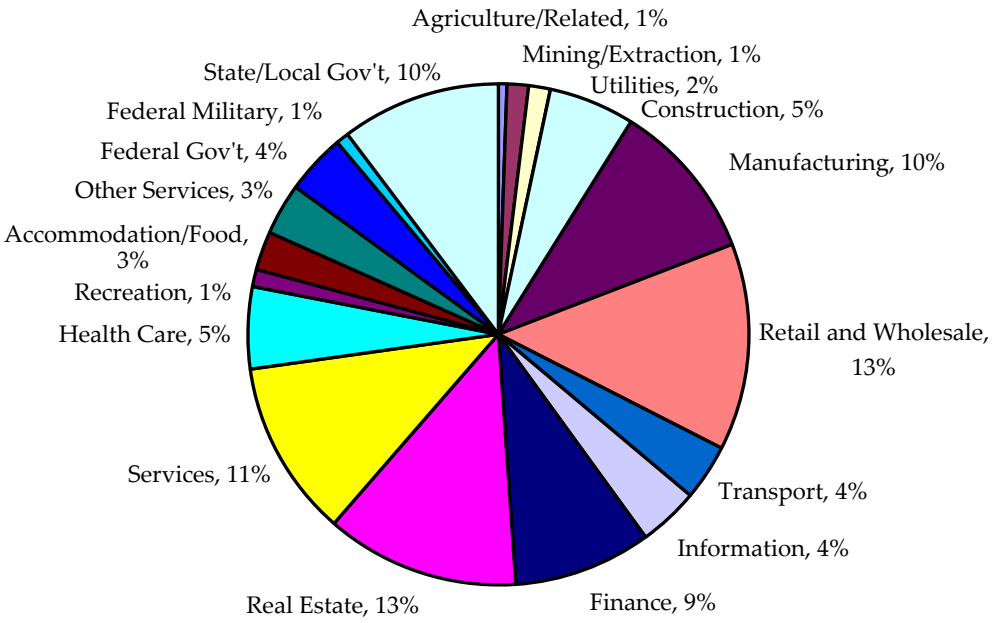
A. ECONOMIC STRUCTURE

Gross state product (GSP) is one of the most frequently used comprehensive measures of an economy. It is defined as the value added in production by the labor and property located in a state. The Bureau of Economic Analysis reports GSP as data becomes available. Utah's GSP in 2003 was $75.8 billion current dollars (33rd in the nation), a 3.8% increase over the previous year.[57] GSP per capita was $32,227, 38th in the nation.

1. Major Industries

Utah's leading industries include mining, manufacturing, petroleum and coal, primary metals, farming, services, and tourism.[58]

Utah Gross State Product, 2002



Source: U.S. Bureau of Economic Analysis

Percent Change in Real Gross State Product by Major Industry, 2000-2001

	Total GSP	*Agric.*	*Mining*	*Constr.*	*Manufg.*	*Transport & Utilities*	*Finance*	*Services*	*Govt.*	*Rank in GSP % Change*
US	0.40	-1.70	4.78	-1.61	-6.00	-0.18	2.79	0.95	1.81	N/A
Utah	0.58	12.01	14.67	-4.17	-13.08	-3.80	7.63	1.13	3.02	22

Source: U.S. Bureau of Economic Analysis

[57] Not adjusted for inflation. Bureau of Economic Analysis, *Regional Economic Accounts*. Retrieved from http://www.bea.doc.gov/bea/newsrelarchive/2003/gsp0503.xls.

[58] Leading industries here refers to those that represent a high share of state or national GSP relative to the size of the state's economy. Since Utah's economy is 0.69% the size of the U.S.', if an industry in Utah represents more than 0.69% of total U.S. economic value in a sector then it can be assumed Utah is relatively competitive.

a. Natural Resource Extraction

Although the metals industry in Utah experienced a year of major decline in FY 2001 (from $905 million to $611 million, 32.5% year-on-year contraction), primary metals remain an important economic sector in Utah, accounting for 1.35% of the value of the national metals sector. Coal and metal mining had a combined value of $700 million in 2001, representing significant growth in both mining sectors (14% and 21% growth, respectively). **Utah ranked 10th nationally in total non-fuel mineral production value and 13th in coal production in 1999.**[59] Oil and gas products have traditionally been another strong sector in Utah, representing $727 million of economic value in 2000. By 2001, however, the oil and gas sector had declined to $388 million (still worth nearly 1% of total U.S. value generated in the sector).

b. Manufacturing

During most of the 1990s, Utah manufacturing expanded rapidly, increasing 26% from 1991 to 1998. By contrast, the United States gained only 2%. However, in both 1999 and 2000, about 1,200 jobs were trimmed from manufacturing payrolls, followed by an additional cut of 3,800 in 2001. Substantial layoffs in late 2001 continued this trend through 2002. Although manufacturing declined nearly 12% in FY 2001, manufacturing activities still represented nearly 11% of Utah's economy in 2001.[60]

c. Agriculture

The farming sector in Utah grew by 26% between 2000 and 2001, from $470 million to $592 million, making it one of Utah's biggest industries (although still representing less than 1% of total U.S. economic activity in agriculture). Increases in meat prices tend to benefit Utah, since livestock products are dominant.

d. Information Technology

In recent years, attempts have been made to attract high-tech industries to the state. In 1999, the state awarded a $5 million loan to Intel to develop a 150-acre campus that was expected to add an expected 7,000 high-paying jobs.[61] The Intel campus opened in 2000 and thus far directly employs 600 Utahns.[62] A total of 5.9% of Utahns in the private sector work in high-tech industries, putting Utah well above the national median.[63] Utah has been ranked ninth in the Milken Institute's State Technology and Science index for three consecutive years. It is one of the top 10 states in total Research & Development (R&D) assets and offers large tax credits for R&D. The state has over 2,600 information technology companies and over $1 billion cumulatively invested in telecommunications infrastructure.[64] Technology firms have been hard

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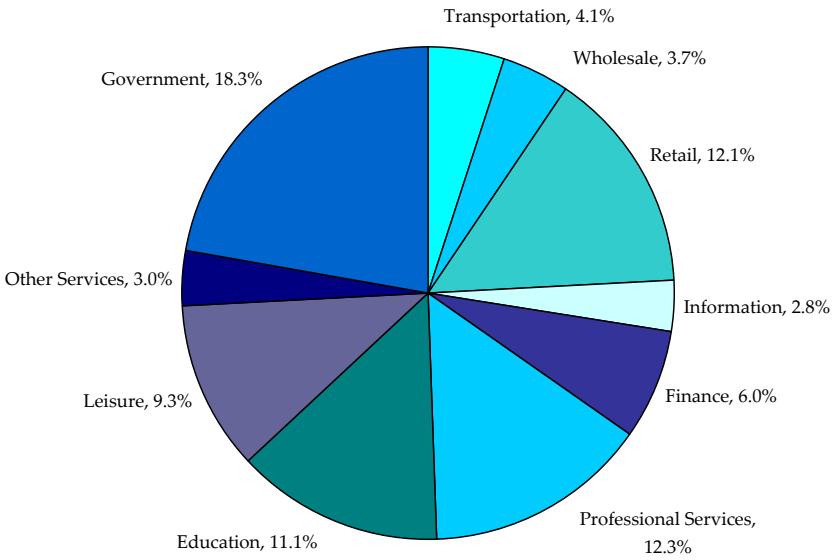
[59] National Mining Association, *Mining in Utah*, http://www.nma.org/pdf/states_99/smbut1999.pdf.
[60] Utah Department of Community and Economic Development, *State of Utah Economic Overview*, ,http://dced.utah.gov/BIRS/state/STATESUM.htm.
[61] Utah Department of Community and Economic Development, *1999 Annual Report: Industrial Assistance Fund*, http://dced.utah.gov/Annrpt99/iaf.html.
[62] Intel Corporation, *Intel in Your Community*, http://www.intel.com/community/utah/index.htm.
[63] U.S. Department of Labor, Bureau of Labor Statistics, *State-by-State Overview of the High-Technology Industry*.
[64] Economic Development Corporation of Utah, *Targeted Industries*, http://www.edcutah.org/pdf/targetedindustries.pdf.

hit by the dot-com bust, however, and their employment share in Utah has slipped considerably as a result.

e. Services and Tourism

Tourism has been a growing sector in the state, with hospitality-related sectors larger than average for a state the size of Utah. Winter recreation, gains in the restaurant sector, and increases from regional and discount airlines have helped increase travel receipts; a successful 2002 Winter Olympics played a significant role in attracting winter sports tourism to the state in 2003 (up 7% in FY 2003).[65] Utah's major ski resorts continue to rank among the best in North America. For example, Alta, Snowbird, and Deer Valley were ranked at or near the top in recent reader surveys in *Ski* and *Skiing* magazines.[66]

Utah Services Gross State Product in 2000



Source: Bureau of Labor Statistics, 2003.[67]

2. <u>Economic Diversification</u>

The most important statewide economic development organization is the **Utah Division of Business and Economic Development (DBED)**.[68] DBED's mission is the attraction and retention of firms and industries in Utah through an incentive fund, private bonding authority, a business development program, special groups promoting technology and film, and an international business promotion program.

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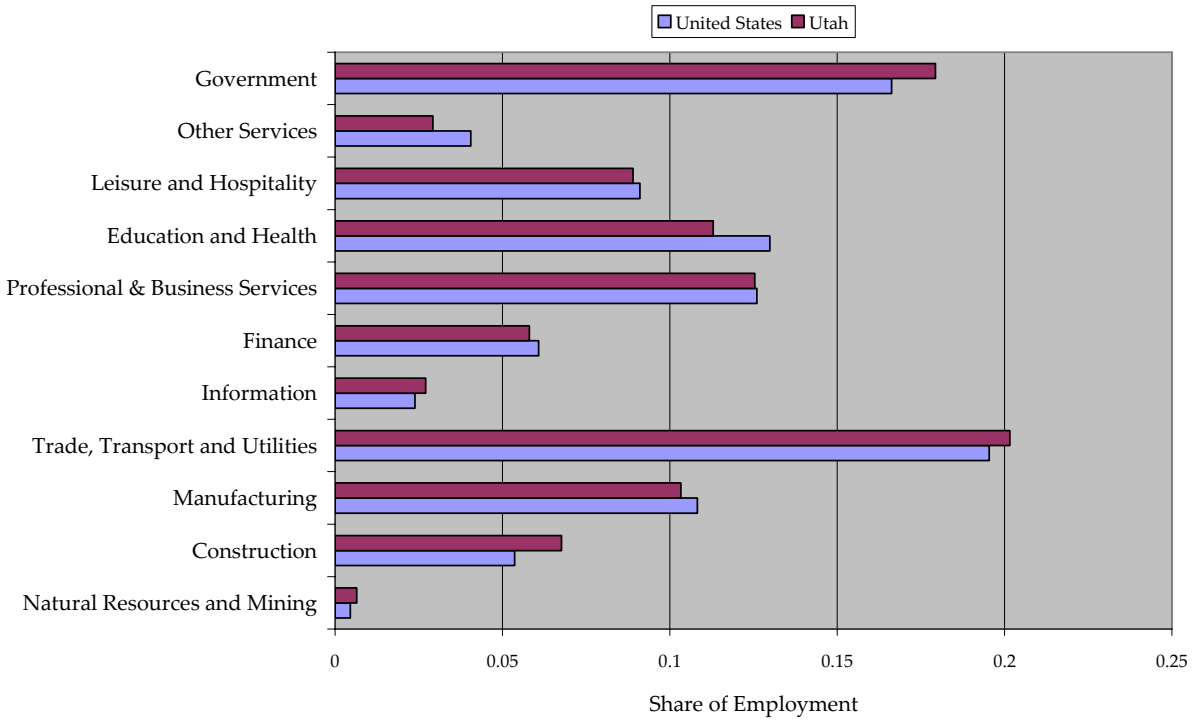
[65] Utah Governor's Office of Planning and Budget, *2004 Economic Report to the Governor*, http://www.governor.utah.gov/dea. See also FDIC, *State Profile – Utah Summer 2004*.
[66] Zions Bank, *Utah Economic Outlook Winter 2004*, http://www.zionsbancorporation.com/zionsbank/ins/insUT2004winter.html.
[67] Bureau of Labor Statistics data. Retrieved from Economy.com, *State of Utah 2004*. Classifications are based on SIC industry codes and are therefore incompatible with GSP estimates using NAICS.
[68] Utah Division of Business and Economic Development, http://dced.utah.gov/DBED/.

The **Economic Development Corporation of Utah (EDCU)** is a private, statewide, non-profit organization formed in 1987 to provide a unified economic development program promoting the state. EDCU is an investor-based organization, with more than 230 private sector businesses and organizations, chambers of commerce, municipalities, and counties. EDCU publishes a quarterly economic review of the state and maintains a matching grant fund as well as extensive data on the state economy.

3. Labor Force and Employment

Employment Patterns in Utah, 2004



Source: Bureau of Labor Statistics

In June 2004, Utah's labor force totaled 1,109,437 workers.[69] Sixty-nine percent of all Utahns and 61% of women over 16 years old work,[70] giving Utah a **higher labor participation rate than U.S. average in all categories**.[71] In total, 53.4% of labor force is male and 46.6% is female; 7% of workers are unionized versus 14% nationally.[72] Overall employment was up by 1.3% in the first quarter of FY 2004[73] and has been strong throughout the year.[74]

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[69] Utah Department of Workforce Services, *Utah Nonagricultural Employment*, October 2004, http://jobs.utah.gov/edo/information/dwsdefault.asp.
[70] U.S. Census Bureau, *Profile of Selected Economic Characteristics*, http://censtats.census.gov/data/UT/04049.pdf.
[71] Utah Issues, *State of Working Utah 2004*, http://www.altrue.net/site/poverty/content.php?type=1&id=8972. Note that the high labor participation rate for women exists despite the strong influence of the LDS church, suggesting that the impacts of the church cannot assumed to be straightforward.
[72] Utah Issues, *State of Working Utah 2004*.
[73] FDIC, *Utah State Profile Summer 2004*.
[74] Utah State Department of Workforce Services (unpublished memo, August 17 2004).

B. ECONOMIC PERFORMANCE

1. Historic Economic Performance

Since World War II ended, Utah's population has grown rapidly. Utah's population growth during the 1960s was the result of high birth rates. In the 1970s and 1980s, the state's population growth accelerated as people from other states moved to Utah. Despite the influx of out-of-state residents, adherents to the Church of Jesus Christ of Latter-Day Saints (LDS) comprised 69% of the state's population as of the 2000 Census.[75]

The energy crisis in the 1970s greatly aided the oil fields of the Uintah Basin and the coalfields of Carbon and Emery counties, where the production of coal reached an all-time high.[76] The national economic recession of the early 1980s resulted in the loss of many mining, manufacturing, and construction jobs: by 1982, the state's unemployment rate had reached its highest level since 1941. A slow economic recovery began in 1984, but the mining industry remained depressed until 1987. In the 1980s, high-tech businesses began to locate in Utah, a trend that continued through the 1990s.[77]

Utah has had consistently low unemployment since the mid-1980s. During the national recession of 1991-92, Utah's unemployment rate remained consistently below 4.9% (until late 1992, when it topped 5%). At the same time, the national unemployment level stayed consistently above 7%, reaching 7.7% in the summer of 1992 until it dropped below 7%, eventually reaching 5.9% in late 1994. By mid-1995, Utah's unemployment rate ranged between 3% and 4%.[78]

The gap between the national average per capita income (PCI) and Utah's PCI has grown successively larger every year since 1980, suggesting that **the rest of the country is becoming wealthier more quickly than Utah**.[79] This trend is demonstrated in the graph below, where two lines show the path of PCI growth for Utah and the U.S. average and another two lines show the percentage growth in PCI per year for Utah and the U.S. average. With the exception of 2003, when Utah experienced a particularly strong year, Utah's average PCI has grown more slowly than the rest of the country.[80] Further research may be warranted to ascertain whether this is due to Utah's high population growth rates and large families (compared to the mean for the entire country).

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[75] Utah Office of the Governor, *1999 Population Estimates for Utah*, http://governor.utah.gov/dea/UPEC/Pe99uebrRev.PDF.

[76] Utah Geological Survey and Utah Energy Office of the Department of Natural Resources, *2001 Annual Review and Forecast of Production and Distribution Utah Coal*, http://geology.utah.gov/utahgeo/energy/coal/coalrpt2001.pdf.

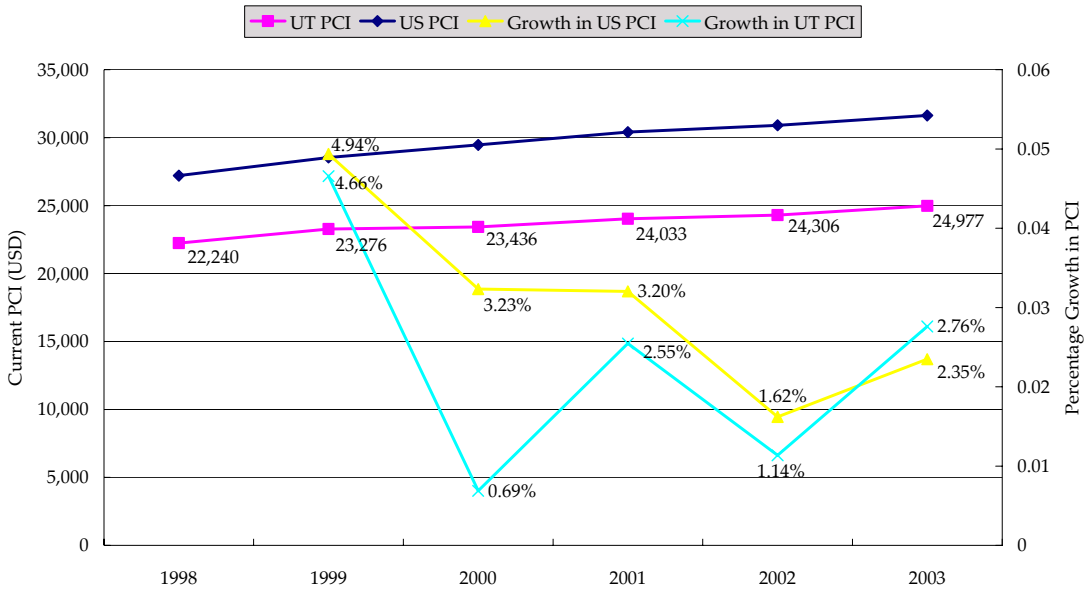
[77] Houston Consultants for Salt Lake Chamber of Commerce, *Economic Development and the High Technology Industry in Utah: Trends, Implications and Recommendations*, http://www.slacc.org/media/pdf%20files/2005-01-12.researchunivwhitepaper.pdf.

[78] State of Utah, *Utah's New Commonwealth Economy*, http://historytogo.utah.gov/commonwealth.html.

[79] Per capita income is not intended to be a measure of living standards as it is not adjusted for state or county cost of living. Fluctuation in the state and national PCI growth rates has meant a net increase in the PCI gap of only 5% between 1998 and 2003.

[80] Bureau of Economic Analysis, *Survey of Current Business*, http://www.bea.doc.gov/bea/regional/spi/.

Growth and Current Per Capita Income, 1998-2003



Source: Bureau of Economic Analysis

2. Recent Economic Performance

Recent unemployment rates reflect an improving labor market in the years since 2002. In 2002, the state's jobless rate averaged 6.1%, the highest level since 1987. In 2003, unemployment had fallen to 5.2%, and in 2004 unemployment fell further to 4.8%.[81]

By the end of 2004, Utah's non-farm employment growth had outpaced the nation for the fifth consecutive quarter. Job growth in Salt Lake City was slightly weaker, approximating the performance of the nation. Leading annual growth were the professional and business services, educational and health services, and retail sectors, which each added at least 2,400 jobs. Employment in the manufacturing sector also continued to grow, in part because of strength in the nondurable goods sub-sector, particularly the food processing industry. The manufacturing sector is also expected to benefit from an increase in federal defense spending. **Defense spending in Utah in 1999 totaled $1.42 billion, a 12% increase over the previous year**.[82]

3. Economic Outlook

The *2005 Economic Report to the Governor* forecasts continued economic growth during 2005. Employment growth of 2.4% is expected to nearly match the 2004 rate of 2.5%. Population growth is also expected to reach 2.4%, a slight increase over 2004's 2.3%, primarily due to stronger net in-migration. Construction job growth is expected to remain strong at 4.8%, with total value on track to meet or exceed the 2004 record. Higher interest rates and high energy prices may dampen economic growth during 2005, but a weaker U.S. dollar will also have a positive two-fold impact on Utah and the West: an ability to sell more of Utah's products

[81] ZionsBank, *Utah Economic Outlook Winter 2004*, http://www.zionsbancorporation.com/zionsbank/ins/insUT2004winter.html.
[82] Economy.com, *State of Utah 2004*, August 2004.

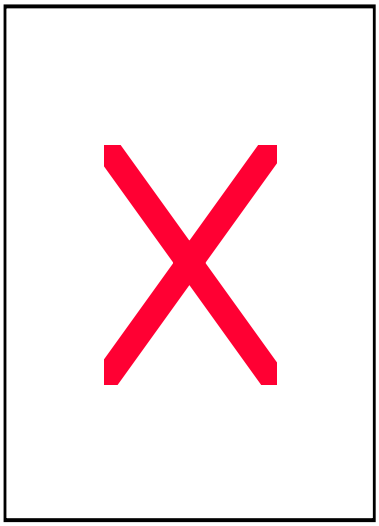
internationally and an expected rise in foreign visitors to Utah.[83]

[83] Utah Governor's Office, *2005 Economic Report to the Governor*, http://www.governor.utah.gov/dea/ERG2005.html.

III. STATE AND LOCAL GOVERNMENT

A. STRUCTURE

1. State and Local Governments



In 1970, the state government founded seven Associations of Governments (AoGs), one for each of Utah's multiple-county regions (they appear in the county population charts in section I.2. and in the map at right). The role of these AoGs is to assist state and local governments.[84]

AoGs presently deal with planning issues and problems that transcend county boundaries, especially in the areas of health, social services, and economic development. Counties operate under the Utah Association of Counties,[85] and city and town governments operate the Utah League of Cities and Towns.[86] According to Census data, Utah has 237 incorporated areas (towns or cities).[87] Eighty-five percent of Utah's population resides within incorporated municipalities; of the remaining 15% (300,000 residents) that live in unincorporated areas, 70% reside in unincorporated counties along the Wasatch Front. In sum, **95% of Utah's 2.2 million residents live in urban areas or incorporated municipalities**.[88] Nonetheless, the contrast between the community development needs of urban and rural areas is dramatic, as becomes evident in the housing and poverty sections of the environmental assessment.[89]

Utah has 29 counties, each of which is empowered to raise operating funds by taxes, fees, licenses, fines, and bonds. Counties may license and regulate local businesses, zone property, plan development, build and maintain roads, and build and operate a variety of public facilities. About three fourths of Utah's land is owned by federal, state, or local government.[90]

2. Educational System

Utah has 820 K-12 schools in 40 districts, plus one charter school district. Enrollment in the 2003-2004 school year was 486,938.[91] Utah also has 79 private and Bureau of Indian Affairs (BIA) schools with a combined K-12 enrollment of 13,400.[92] The statewide charter school

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[84] Utah Governor's Office, *Regional Associations of Governments,* http://www.governor.state.ut.us/planning/aog/aog.htm.
[85] Utah Association of Counties, http://uacnet.pegasus.ultraservers.net.
[86] Utah League of Cities and Towns, http://www.ulct.org/index.html.
[87] U.S. Census Bureau, Population Division; http://www.census.gov/popest/cities/tables/SUB-EST2003-04-49.pdf.
[88] Utah League of Cities and Towns, *Never, Never Let Them See You Sweat,* http://www.ulct.org/staff_nakamura.092401.html.
[89] As the vast majority of Utah's population is urban, statewide data is used except in cases where it obscures an important detail about rural households. For these purposes, county-level data is ideal, although beyond the scope of the Environmental Assessments in their current form.
[90] State of Utah, *Utah's Counties: 29 Unique Parts of One State*, http://pioneer.utah.gov/generalcounties.html.
[91] Utah State Office of Education, *Public Education Fingertip Facts 2004,* http://www.usoe.k12.ut.us/default/FngrFacts.pdf.
[92] Utah State Office of Education, *Utah Private and BIA Schools*, http://www.usoe.k12.ut.us/data/files.htm.

district represents 3,253 students in 19 schools.[93] **Utah State University** (USU) is noted for its education school. USU had 23,908 students enrolled in Fall 2004 and awarded 3,776 degrees in 2003. The **University of Utah** (UU) enrolled 28,437 students in 2003 and awarded 6,087 degrees in 2003. UU has nationally ranked programs in chemical and fuels engineering, computing, and modern dance.

B. GOVERNMENT FINANCES

Property, personal income, and sales taxes together account for 82% of Utah's total state and local tax revenue.[94] Utah has earmarked 100% of income tax revenues for education funding, a unique policy among states. Utah's **large school-age population places heavy demands on the tax system to fund education.**[95] The statewide minimum sales and use tax is 4.75%, which cities and counties may supplement.[96] Utah was ranked 35th in local government taxes per capita in 1998 ($793),[97] and 43rd in the level of federal taxation per capita ($5,330).[98] In 2003, the State Legislature passed the Streamlined Sales Tax, which simplified collection for delivery and e-commerce transactions, an innovative program. Utah is also one of 14 states that charges sales tax on food, which critics cite as a highly regressive tax with negative implications for poverty alleviation.

A 2004 study by the Utah Foundation found that the present combined tax burden in Utah ranks 28th nationwide ($372.60 per $1000). High education costs are evident in the difference between federal and local tax burdens: the same study ranks Utah 11th-highest nationally by the state and local tax/fee burden and 40th in federal taxes.[99] In 2003, Utah received $12.3 billion – 37th highest among the states – from the federal government, and was ranked 48th in the level of per capita federal spending at $5,311 per person.[100]

In FY 2003, **Utah received 54.1% of its revenues from state taxes and 32.7% from grants and contributions** (primarily federal). Charges for goods and services and other miscellaneous collections accounted for 13.2% of government revenues:[101]

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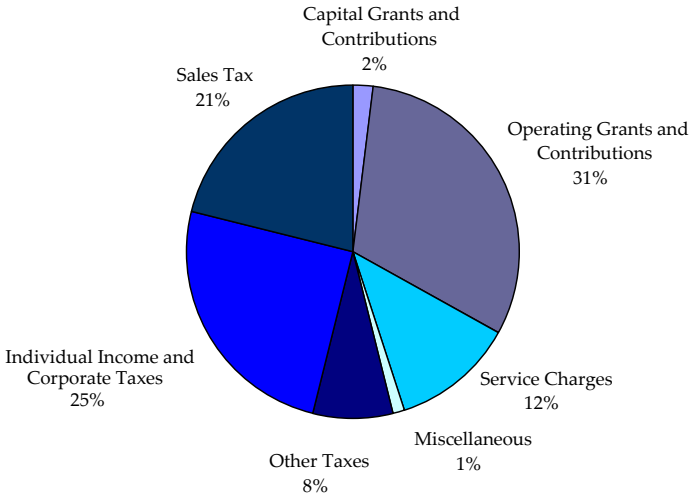
[93] Utah State Office of Education, *Fall Enrollment Summary by Grade*,; http://www.usoe.k12.ut.us/data/files.htm.
[94] Utah Foundation, *Utah's Tax Situation* (Report 666), http://www.utahfoundation.org.
[95] Ibid. Utah's population aged 5-17 is 20% above the national mean.
[96] Utah State Tax Commission, *Utah Sales and Use Tax Rates*, http://tax.utah.gov/sales/rates.html.
[97] Public Policy Institute of New York, http://www.ppinys.org/taxes/98localtax.htm.
[98] Public Policy Institute of New York, http://www.ppinys.org/reports/jtf/Table%2030.htm.
[99] Utah Foundation, *Utah's Tax Situation*.
[100] Governor's Office of Planning and Budget, *Utah Data Guide Summer 2003*.
[101] State of Utah Division of Finance, *Comprehensive Annual Financial Report for FY ended June 30, 2003*.

State of Utah Revenue by Source, 2003



Source: State of Utah Division of Finance.

The state government's net assets increased $262.6 million or 2.5% in FY 2003. Combined tax revenues rose 1.6% in the General Fund and 2.3% in the Uniform School Fund, signifying the beginning of economic recovery.[102]

In FY 2003, Utah increased its **state surplus to $1.9 billion**, including $1.1 billion in legally restricted assets and another $466.2 million in funds with internally-imposed limitations. The remaining $335 million was available for general use. Government expenditures were also up, especially in the areas of health and environmental quality (up $116 million) and employment and family services (up $41.8 million), primarily the result of sluggish economic times and higher unemployment translating into increased demand for government services.[103]

As of June 30, 2003, the state had $69.6 million of outstanding debt related to its capital assets, and in 2003, Utah held a total of **$3.3 billion in bonded debt** ($660.5 million of which was issued in FY 2003). The state earns **AAA ratings** (the highest possible) on its general obligation (GO) debt from S&P and Moody's.

C. MAJOR GOVERNMENT AGENCIES INVOLVED IN COMMUNITY DEVELOPMENT

The most important statewide housing finance agency in Utah is the **Utah Housing Corporation (UHC),**[104] headquartered in Salt Lake City. UHC is a semi-private corporation founded by the State of Utah in 1975, and is responsible for administering the main state and federal housing funds, including the federal and state Low-Income Housing Tax Credit programs, in addition to programs for first-time homebuyers and bonding for multifamily housing developments.

[102] Ibid.
[103] Ibid, p. 19.
[104] Utah Housing Corporation, http://www.utahhousingcorp.org.

Community development and small business needs are tended to at the state government level by the **Department of Community and Economic Development (DCED)**,[105] which operates a host of programs aimed at developing businesses in Utah as well as attracting out-of-state business through a variety of incentive programs described in the Small Business Resources section. DCED operates the State of Utah Small Cities Community Development Block Grant (CDBG) program for cities and towns with less than 50,000 population in counties with fewer than 200,000 residents. The entitlement cities (those too large for the state CDBG program) of Salt Lake, Provo, Orem, Ogden, Layton, Clearfield, Sandy, Taylorsville, West Jordan, West Valley, St. George, Logan, and the County of Salt Lake each have similar CDBG programs designated for their areas and apply for CDBG funds on an independent basis.[106] Rural CDBG funds (disbursed to Associations of Governments) amounted to a record $7.5 million in 2003-2004.[107]

DCED operates the **Olene Walker Trust Fund**, a composite fund including state and federal dollars. The Olene Walker Trust Fund and UHC together finance most housing projects throughout the state. DCED Community services programs include the **Utah Pioneer Communities** program, designed to revitalize downtown districts. The **Small Business Administration** operates Small Business Development Centers (SBDCs) in many locations across Utah, as well as its own headquarters in Salt Lake City, through which it channels small business loans.

Traditional poverty and income support programs are operated by the **Department of Workforce Services**, including unemployment insurance and the TANF block grant. Other poverty programs are operated by DCED, including the Community Service Block Grant, Community Food and Nutrition Program, Emergency Shelter Grant, Critical Needs Housing Grant, Pamela Atkinson Homeless Trust Fund and the Emergency Food Network.

The interests of Utah's immigrant and minority populations are tended to by a set of **Ethnic Offices** attached to the governor's office. The mission of these four Ethnic Offices (Black, Asian, Hispanic, and Polynesian) is to review state policy and agency performance to determine the impact on the state's ethnic populations. Based on their review, the offices make recommendations to the governor and other state agencies on how they can increase their level of responsiveness to ethnic citizens.[108] The Utah DCED **Division of Indian Affairs** is the state liaison with Utah's American Indian population and maintains a directory of organizations across the state that work on issues relevant to the American Indian community.[109]

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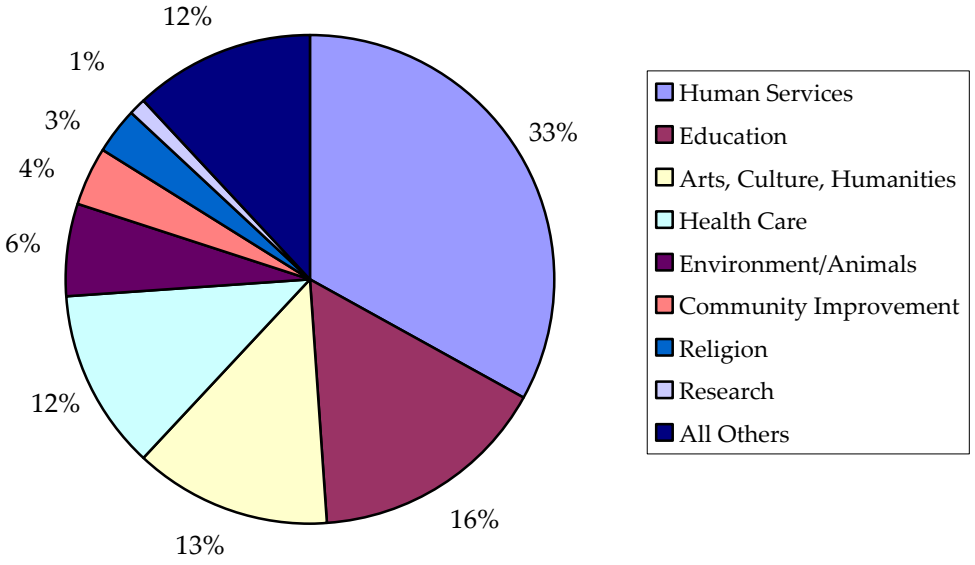
[105] Utah Department of Community and Economic Development (DCED), http://dced.utah.gov.
[106] DCED, *About Us*, http://dced.utah.gov/cdbg/aboutus.html.
[107] DCED, *Annual Report 2004*.
[108] DCED, *Annual Report 1999*, http://dced.utah.gov/Annrpt99/ethnic.html.
[109] Utah Division of Indian Affairs, http://dced.utah.gov/indian/.

IV. NONPROFITS AND FINANCIAL INSTITUTIONS

A. NONPROFITS

Since 1990, the Utah Nonprofits Association (UNA) has been an umbrella membership organization for 501(c)(3) organizations in Utah, and is the statewide affiliate of the National Council of Nonprofit Associations (NCNA). Its current membership is over 300. In 2000, UNA published a report on the charitable nonprofit sector in Utah.[110] The report is limited to nonprofits reporting to the IRS, which UNA estimates represents only one third of all nonprofits in Utah. Nonetheless, **1,174 reporting charitable nonprofits existed in Utah in 2000** (twice as many as in 1990), representing **$4.1 billion in total assets** (a 74% increase from 1990) and **$3.2 billion in expenditures – about 4.7% of Utah's GSP**. These figures include Utah's 323 foundations with over $2.2 billion in assets that gave nearly $115 million in grants in 2000. A larger number of 501(c)(3) organizations are registered with the IRS but are exempt from reporting – in total, 4,940 501(c)(3) organizations exist in Utah.

Reporting Nonprofits in Utah by Field, 2000



Source: Utah Nonprofits Association

Sixty-six percent of the state's nonprofits representing 90% of expenditures and 93% of all assets are located in Salt Lake and Utah counties. Individual contributions represented only 10% of revenue for nonprofits in 1999, with the remainder coming from fees for services and goods, private foundation and government grants, contracts, investments, and related activities. The largest expenditures were made by hospitals (0.6% of reporting institutions but 47.5% of

[110] Utah Nonprofits Association, *The Utah Charitable Nonprofit Sector 2000*, http://www.utahnonprofits.org.

total expenses for the nonprofit sector), while human services organizations represented less than 16% of total expenditures.

Utah Nonprofits by County, 2000

County	*Organizations*	*Expenditures*	*Assets*
Box Elder	10	$2,483,571	$1,397,762
Cache	46	$32,139,975	$24,435,476
Carbon	13	$8,542,277	$9,486,280
Daggett	1	$189,914	$52,998
Davis	57	$158,488,568	$55,140,620
Duchesne	3	$598,412	$342,784
Emery	2	$290,152	$360,646
Garfield	2	$980,532	$669,643
Grand	13	$5,507,211	$10,407,650
Iron	18	$3,120,101	$5,109,579
Juab	2	$16,169,924	$9,189,801
Kane	3	$12,659,983	$10,372,805
Millard	1	$291,149	$17,986
Morgan	2	$43,844	$55,685
Salt Lake	660	$3,535,121,208	$2,891,982,635
San Juan	7	$3,081,637	$2,323,723
Sanpete	6	$5,721,429	$5,078,076
Sevier	5	$1,201,235	$1,962,616
Summit	56	$34,449,488	$24,595,367
Tooele	5	$848,888	$299,831
Uintah	4	$850,725	$644,820
Utah	120	$113,790,663	$78,148,013
Wasatch	4	$535,855	$30,662
Washington	42	$49,458,723	$25,809,440
Wayne	2	$830,586	$937,756
Weber	90	$85,236,088	$39,575,747
Total	**1,174**	**$4,072,632,138**	**$3,198,428,401**

Source: Utah Nonprofits Association[111]

B. FINANCIAL INSTITUTIONS

CFED's data on bank access reveals a mixed picture for Utah. While only 27.9% of households have checking accounts (45th in the nation), **a striking 75% maintain savings accounts (fifth in the nation)**.[112] However, this may be explained by the fact that checking accounts that pay interest are included by CFED in the savings account category.

The total number of banks operating in Utah, including industrial banks (IBs), was 73 as of end-year 2004. Sixty-six banking institutions are headquartered in Utah, representing assets of $198 billion. Eleven of these have existed fewer than three years, and 33 of them have existed for fewer than nine years. Utah has eight unprofitable insured institutions, and the industry-wide median return on assets ratio went down from 1.81 in 2002 to 1.69 in 2003 and 1.58 in 2004.[113] The overall median commercial & industrial (C&I) loan growth rate was slightly negative in 2003 (-1%) and smaller business loans increased as a share of total C&I lending (to

[111] Ibid.
[112] CFED, *State Asset Development Report Card (SADRC)*, 2002, pp. 114-115.
[113] FDIC, *Utah State Profile, Winter 2004*.

95%).[114] The median past due (the share of a bank's assets that are past due) decreased one percentage point from 2003 to 1.68%.[115]

Bank Asset Distribution by MSA, 2004

MSA Distribution	*# of Inst.*	*Assets*	*% Inst.*	*% Assets*
Salt Lake City-Ogden UT	48	194,899,187	72.73%	98.35%
No MSA	11	1,762,254	16.67%	0.89%
Provo-Orem UT	7	1,507,795	10.61%	0.76%

Source: FDIC[116]

Twenty-five state-chartered banks operate in Utah, as well as 11 nationally chartered banks and three out-of-state state-chartered banks. Seventy state-chartered and 49 federally-chartered credit unions operate in the state as well as two state-chartered and five federally-chartered savings and loans. Besides these, 33 Industrial Banks (IBs, formerly Industrial Loan Corporations or ILCs) operate in Utah, featuring more flexible charters.[117] IBs represent 42% of insured institutions with 65% of assets in March 2004, up 34% and 37%, respectively, from the previous year.[118] Utah's 119 credit unions control 5.4% of combined financial assets in the state, compared to 6.5% nationally.[119]

C. CDFIs

Utah has three organizations that have been certified by the Community Development Financial Institutions Fund as of November 2004. To achieve certification, an entity must have a primary mission of promoting community development, must principally serve and maintain accountability to an eligible target market, be a financing entity providing development services, and not be a government entity or controlled by a government entity.

Utah's three CDFIs include:[120]

- Neighborhood Housing Services of Provo, Inc. (Provo)
- Salt Lake Neighborhood Housing Services, Inc. (Salt Lake City)
- Utah Microenterprise Loan Fund (Salt Lake City)
- Rural Community Assistance Corporation (Draper)

Certification as a CDFI also enables entities to apply for various awards from the CFDI Fund. Under the CDFI Program, two CDFIs in Utah have received awards since 2000.

CDFI Fund Awardees Since 2000

Institution Name	*Location*	*Date*	*Award Amount*
Rural Collaborative	Park City	2001	$196,000
Utah Microenterprise Loan Fund	Salt Lake City	2002	$20,000

Source: CDFI[121]

[114] FDIC, *Utah State Profile, Summer 2004.*
[115] FDIC, *Utah State Profile, Winter 2004*.
[116] Ibid.
[117] Utah Department of Financial Institutions, http://dfi.utah.gov.
[118] FDIC, *Utah State Profile, Summer 2004*.
[119] Credit Union National Association, *Credit Unions Fact Sheet – Utah*, http://www.cuna.org/download/utah_fs.pdf.
[120] CDFI Fund, *Certified Community Development Financial Institutions as of November 1, 2004*, http://www.cdfifund.gov/docs/certification/cdfi/CDFI-state.pdf.

V. AFFORDABLE HOUSING

Utah faces moderate housing affordability needs. The state is **ranked 19th in overall housing affordability**; Utah's urban/rural divide means that statewide assessments are of limited usefulness – where appropriate, every effort should be made to distinguish between urban centers and the Utah countryside. Statewide, 43% of renters in Utah are unable to afford the average two-bedroom rent, from a high of 44% of renters in Salt Lake City to a low of 33% in Kane County.[122] The rate of severely cost-burdened renter households (those spending more than 50% of their income on rent) is a moderate 24th at 21.9%.[123] However, **only 23.5% of Utahns are paying more than 30% of income towards housing costs**, a marked decrease from 1990.[124]

Homeownership grew 3.4 percentage points between 1990 and 2000, the fourth-fastest growth rate in the country.[125] By 2003, the homeownership rate had climbed to 72.7%, 17th in the nation.[126] This is especially notable considering the relatively high median value of Utah homes ($131,603 in 2000, fourth in the nation).[127]

A. AFFORDABLE HOUSING NEEDS

1. Overall Housing Market

Among U.S. states, **Utah ranked third in the growth of housing stock between 1990 and 2000, growing 28.4%** during the time period. In 2000, there were 768,281 units, of which 701,281 (91.2%) were occupied (72% by owners and 28% by renters).[128]

Home prices appreciated 1.6% in 2003, compared to 8% nationally.[129] The inflation-adjusted median value of single-family homes in Utah was $146,100 in 2000, $26,500 higher than the national median.[130] Values increased 75.8% during the 1970s, dropped 22.4% in the 1980s, and rebounded with 66% growth during the 1990s.[131]

Between 1990 and 2000, gross median rent was up 26.8% versus the national average of 5.4% growth (making Utah the state with the fastest growth in rental prices, although most of the growth was limited to urban centers).[132] **In 2000, renters on average spent 24.9% of their income on rent (24th-highest in the nation)**.[133]

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[121] CDFI Fund, *Utah Awardee Profiles by State*, http://www.cdfifund.gov/awardees/pdf/states/utah.pdf. Some past awardees are no longer CDFIs and so do not appear in the list above.
[122] NLIHC, *Out of Reach 2003*.
[123] NLIHC, *Up Against a Wall 2004*.
[124] U.S. Census Bureau, *2000 Profile of Selected Housing Characteristics, State of Utah*.
[125] U.S. Census Bureau, Census 1990 and 2000 Data.
[126] U.S. Census Bureau, *U.S. Statistical Abstract 2003*.
[127] Governor's Office of Planning and Budget, *Utah Data Guide*.
[128] Governor's Office of Planning and Budget, *Housing Characteristics in Utah*; http://www.governor.utah.gov/dea/Publications/HousingBrief.pdf.
[129] FDIC, *Utah State Profile, Summer 2004*.
[130] Governor's Office of Planning and Budget, *Utah Data Guide*.
[131] Ibid.
[132] Ibid.
[133] Ibid.

Top and Bottom 5 Counties by Mean Rent Costs, 2000

County	*Gross Rent*	*County*	*Mean % of Income to Rent*
Summit	$909	Grant	28.8%
Wasatch	$731	Piute	26.8%
Salt Lake	$638	Washington	26.7%
Davis	$637	Utah	25.5%
Washington	$594	Salt Lake	25.3%
Rich	$354	Rich	16.9%
San Juan	$383	Garfield	18%
Millard	$388	Kane	18.5%
Piute	$395	Wayne	18.6%
Emery	$397	San Juan	18.8%

Source: U.S. Census Bureau, Census 2000 Data.

There are **17 housing authorities** (eight serving urban areas and nine serving rural areas) operating in Utah with a **total of 2,981 public housing units statewide in 2002**, of which 2,766 are located in urban areas and 215 are in rural areas. Utah also has 9,898 Section 8 vouchers, 8,082 of which can be used in urban areas. These vouchers were valued at $44.2 million in 2002 ($37.7 million is for urban areas and $6.4 million is for rural areas).[134]

2. Homeownership Statistics

Utah ranked 17th in homeownership nationally in 2002 with 72.7% of Utahns owning their homes.[135] Utah fares very well in differences in homeownership by race, gender, and income, placing ninth in the nation for the smallest racial homeownership gap.[136] Its **scores on income equality are middling (26th).[137] A more serious problem is ownership by gender**: Utah ranks 42nd in the country on gender equality in home ownership, with 25% more men owning homes than women.

3. National Low Income Housing Coalition's Affordable Rental Housing Analyses

The National Low Income Housing Coalition (NLIHC) has for several years produced a report entitled *Out of Reach* that analyzes the country's wage-rent disparity. Specifically, NLIHC calculates the amount of money a household must earn in order to afford a rental unit of a range of sizes at the state or county's Fair Market Rent (FMR), based on the generally accepted limit of no more than 30% of income going to housing costs. The required income is then compared to the Area Median Income (AMI), the minimum wage, and the incomes of extremely low-income households (incomes below 30% of AMI). In addition, in 2004, the NLIHC released a report entitled *Up Against a Wall: Housing Affordability for Renters* analyzing rental housing related data from the 2003 American Communities Survey.

Together, these reports indicate that Utah's affordable housing situation has benefited from sustained attention. Using an index that takes into account the state's median gross rent, a ratio of rental costs to renters' incomes, and the percentage of renter households in the state spending more than 50% of income on rent, **the NLIHC ranked Utah as having the 19th-best affordable rental housing situation in the country**. Utah's median gross rent in 2003 was $632, ranking

[134] U.S. Department of HUD, *Community Profiles – State of Utah*, http://www.hud.gov/local/ut/community/cmmprofilesutah2002.cfm.
[135] U.S. Census Bureau, *Statistical Abstract of the United States 2003*.
[136] Utah has a 35% higher rate of ownership for white families compared to non-white. CFED, *SADRC*, p. 95.
[137] Top-quintile earners are 89% more likely to own their homes than bottom quintile earners. CFED, *SADRC*, p. 96.

the state 28th-cheapest nationally; its renter affordability ratio was 18th-best and the percentage of renters who are severely cost burdened (paying over 50% of income on rent) was 24th at 21.9% statewide.

Utah's "housing wage" is $13.36. This represents the amount that a full-time (40 hours per week) worker must earn in order to afford a two-bedroom unit at the area's FMR. In other words, a minimum wage worker must work 104 hours per week to afford a two-bedroom unit at the area's FMR. **Utah's housing wage ranks 27th-highest**.[138]

An estimated 28% of Utahns rent their homes (from 25% in rural Utah to 29% in Salt Lake County); given the statewide housing wage, NLIHC reports that **46% of renters were unable to afford a two-bedroom unit at FMR in 2003**. In Piute and Weber counties, this figure was above 50% (equivalently, the income needed to afford a two-bedroom unit in these counties is above the renter median income).[139]

B. AFFORDABLE HOUSING RESOURCES

1. CFED's Affordable Homeownership Program Rankings

CFED lauds Utah for supporting a strong housing trust fund and property tax circuit breakers for elderly renters and owners. However, Utah as of 2002 offered only two out of six possible programs for first-time homebuyers (funds for second mortgage and a lease purchase program but no direct lending, homeownership counseling, construction assistance, or direct downpayment grants). Utah scores above the median in the share of private activity bonds for home mortgages (19th).[140]

2. Federal Affordable Housing Programs

The State of Utah received over $75 million in funding from the U.S. Department of Housing and Urban Development in FY 2001, not including special purpose grants and grants awarded directly to state nonprofits.[141]

Major HUD Programs in Utah, FY 2001

Program	*Funding*
Community Development Block Grant	$24,343,000
HOME Investment Partnership	$860,000
Housing Opportunity for People with AIDS	$439,000
Emergency Shelter Grant	$824,000
Continuum of Care (Homeless Assistance)	$2,138,697

Source: U.S. Department of HUD[142]

[138] NLIHC, *Out of Reach 2004*, http://nlihc.org/oor2004.
[139] Ibid.
[140] CFED, *SADRC*, pp. 78, 129-133.
[141] This and following information from U.S. Department of HUD, *Community Profiles – State of Utah*, http://www.hud.gov/local/ut/community/cmmprofilesutah2002.cfm.
[142] U.S. Department of HUD, *Community Profiles – State of Utah*. Where newer figures are available, they are listed under section headings.

a. Housing Opportunities for People with AIDS (HOPWA)

HUD funds the HOPWA program in order to help prevent homelessness among persons with AIDS. Utah passed the threshold of 1,500 persons with AIDS in 2000 and thus became eligible for the first time to receive a HOPWA formula grant of $368,540. The HOPWA allocation for Utah in 2001 was $439,000. HOPWA contracts are in place with the Salt Lake Community Action Program (SLCAP) for short-term rental assistance, emergency assistance, and homeless prevention programs. SLCAP provides assistance statewide and coordinates with all HOPWA program providers and other agencies in the community. Contracts are also in effect with housing authorities in Weber, Utah, and Salt Lake Counties and in Salt Lake City for long-term rental assistance (up to two years) for twenty-five people with AIDS. In fiscal year 2001, the HOPWA program expanded in two rural areas. Iron County Care and Share in Cedar City and the St. George Housing Authority will provide long-term rental assistance and emergency assistance for persons with AIDS. As of 2002, there were five providers serving 127 persons with AIDS and funding 27 housing units.

b. Emergency Shelter Grants (ESG)

The HUD ESG program provides funding for homeless services. The funds are used for utilities, building renovation and repairs, limited homelessness prevention, operations, and essential services. In FY 2001, the State of Utah received a total of $824,000 in ESG funding. The larger jurisdictions of Salt Lake City, Salt Lake County, and Provo receive funds directly from HUD.

c. Home Energy Assistance Target (HEAT)

Utah received $14 million in federal funds in 2004 for the HEAT Program, Utah's name for the Low Income Home Energy Assistance Program (LIHEAP). LIHEAP is a federal block grant program and is fully funded by the federal government. The program is administered by the state in partnership with the regional Associations of Governments and nonprofit agencies throughout Utah.

d. Other Federal Programs

The **Housing Preservation Grant** is funded by USDA Rural Development, which allocates approximately $100,000 annually to Utah for the rehabilitation of single-family homes owned by low-income Utahns.[143]

The Utah Division of Housing and Community Development administers the U.S. Department of Energy's **Weatherization Assistance Program** through eight government and nonprofit agencies around the state. State funding for weatherization was leveraged with six additional private and federal grants at a ratio of approximately $340 from those sources to every one dollar from the state. During fiscal year 2004, weatherization services were provided to 1,698 homes, including 156 Native American units, 453 elderly units and 527 disabled units, with a total impact on 5,617 people.

3. <u>State Affordable Housing Programs</u>

The **Utah Housing Corporation (UHC)** is one of the most important housing agencies in Utah. UHC's primary activity is providing mortgages to first-time homebuyers and resources for

[143] Ibid.

developers through its First Home and First Home Plus programs (for families at or below 62% of AMI) as well as administering the Low-Income Housing Tax Credit and bonding for multifamily developments. In 2003, UHC had cumulatively financed 48,200 housing projects and 16,400 rental units for a total of 64,604 residential units. UHC generated $79 million in wages across 37,400 jobs. UHC holds $191.2 million in net assets and an AAA credit rating, the highest of any housing authority in the nation.[144] UHC provided 3,655 mortgages between 1997 and 2002, one third of which went to new housing.[145] Programs operated by UHC include:

- Educationally Constructed Housing Opportunities (ECHO), a program in which the state pays for materials and schools provide construction students who gain experience building homes;
- Rehabilitated through Affordable Constructed Housing (REACH), a program similar to ECHO that employs prison laborers;
- Credits to Own (CROWN) program is a rent-to-own program that applies tenants' rent to mortgage payment and offers an option to purchase after a number of years; and
- the UHC administers the $4.2 million Federal Low-Income Housing Tax Credit (LIHTC) grant. In 2003, 1,300 new and rehabilitated rental units received $150 million worth of Federal LIHTC benefits, with the state LIHTC program providing an additional $1.2 million in equity.[146] Since 1987, the LIHTC program in Utah has covered 17,550 new multifamily units.[147]

The **Olene Walker Housing Loan Fund** (OWHLF) is a division of the Utah DCED. The fund is comprised of a combination of state and federal funds intended for construction, rehabilitation and purchase of single- and multi-family housing units throughout the state (supported by 11:1 leveraging from federal (including the Housing Preservation Grant and HOME programs) and other sources for each dollar spent by the state). The Fund serves a broad variety of Utahns, including the low-income, first-time homebuyers, residents with special needs, and Native Americans. The Olene Walker Housing Loan Fund awarded $5.98 million in loans and grants during FY 2004 for the purchase and/or renovation of at least 706 units of multi-family housing for low-to-moderate income residents in Utah. The Utah General Fund also supports OWHLF financially. The Fund owns several homeless shelters, transitional housing for the homeless and units for the chronically mentally ill. Programs operated by the Olene Walker Fund include:[148]

- a multi-family program designed to provide financial assistance in the acquisition, new construction, or rehabilitation of affordable rental housing of five or more units;
- a four-plex or less with rental income program designed to provide financial assistance in the acquisition, new construction, or rehabilitation of affordable rental housing of one to four units;
- a single-family program designed to provide financial assistance to low-income individuals or families in need of rehabilitation, replacement, or weatherization of an existing owner occupied home;

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[144] Utah Housing Corporation, *Turning Dreams into Reality*, http://www.utahhousingcorp.org.
[145] Utah Housing Corporation, *Economic Impact of Residential Mortgage Programs of the Utah Housing Corporation in FY 2002*.
[146] Utah Housing Corporation, *Turning Dreams into Reality.*
[147] Utah Housing Corporation, *Economic Impact of Residential Mortgage Programs of the Utah Housing Corporation in FY 2002*.
[148] U.S. Department of HUD, *Community Profiles – State of Utah* and Utah DCED, *Olene Walker Housing Loan Fund*, http://dced.utah.gov/OWHLF/index.html.

- a non-rental special needs housing program designed to provide financial assistance in the acquisition, new construction, or rehabilitation of affordable shelters, group homes, and transitional housing that do not generate income;
- a pre-development program that provides non-recourse loans for project development preceding permanent or construction-only financing of affordable rental and homeownership projects;
- an owner-occupied development program designed to provide financial assistance to developments of single-family subdivisions and projects designed to provide housing to low-income individuals and families;
- the Home Choice program, designed to provide financial assistance and mortgage assistance for low-income persons with disabilities, and
- the American Dream Down Payment Assistance program, designed to help low-income, first time home buyers purchase homes by providing down payment or closing cost assistance in the form of zero percent interest loans.

Further needs, including the needs of the homeless, are managed by several state bodies. The **State Community Services Office** (SCSO) provides funding and technical support throughout the state to dedicated service providers. Programs in which SCSO is involved include:[149]

- **Critical Needs Housing,** a state-funded affordable housing appropriation of $564,000 (in 2004) made available primarily as grants to nonprofits and local governments to promote affordable housing. Uses include emergency home repair, making housing accessible for the disabled, transitional housing for the homeless, acquisition of property, and the establishment of rural housing authorities;
- **the Community Services Block Grant** (CSBG)**,** operated by five public and four privately operated community action agencies. Discretionary funding is distributed to the state association of CSBG providers and Utah Issues Information Program, a private, nonprofit organization whose mission is to improve the quality of life for poverty-stricken Utahns. The CSBG network coordinates statewide activities designed to reduce poverty and encourages private-sector entities to participate in efforts to alleviate poverty in local communities. Some agencies emphasize case management and family development programs. Others focus on emergency services, housing, and nutrition. Funding in 2004 amounted $3.3 million;
- the Pamela Atkinson Trust Fund, worth $1.5 million in 2004;
- the Emergency Shelter Grant, worth $541,000 in 2004;
- the Emergency Food Network, which dispersed $170,400 funds in 2004 to emergency food pantries throughout the state; and
- the Community Food & Nutrition program, worth $26,645 in 2004.

The **Rural Development Fund** (RDF) was authorized by state charter to fund county and municipal governments or special service districts within Kane, Garfield, Piute, and Wayne Counties, not including Indian Tribes, individuals, corporations and private nonprofits. In 2004, the RDF provided $301,500 of funding for eligible projects.

The **Balance of State Continuum of Care** Committee (BSCC) was created in 2000 by the Utah State Homeless Coordinating Committee (SHCC) to assist in the coordination of services and the establishment of a coherent strategy for preventing and addressing homelessness. The Continuum serves 22 of Utah's 29 counties that do not have their own State Continuum of Care

[149] Utah DCED, *Annual Report 2004*, http://dced.utah.gov/admin/AnnualReport2004.pdf.

Committees. BSCC was successful in receiving $1.6 million from the U.S. Department of Housing and Urban Development. Other continuums that also received funding include those serving Utah, Summit, and Wasatch counties ($844,730) and Salt Lake County ($1.7 million).[150]

Voluntary taxpayer contributions (of approximately $120,000 in 2001) accumulate to the **Homeless Trust Fund**. Legislative appropriations in 2001 increased the total level of funding to $750,000. The Homeless Trust Fund provides operating funds for soup kitchens, homeless shelters, transitional housing, and matching funds for federal homeless initiatives.

4. Other Housing Programs

a. Federal Home Loan Bank of Seattle

The Federal Home Loan Bank of Seattle (FHLB) contributes to affordable housing in Utah through several programs, including its Challenge Fund, Community Investment Program (CIP), Affordable Housing Program (AHP), and Home$tart Program.[151]

The Challenge Fund is a recoverable grant program that provides seed money of up to $20,000 per project. Through it, the FHLB encourages the creation of affordable housing in geographic areas where there is a lack of development capacity. FHLB awards grants to member financial institutions that typically combine them with their own financial or in-kind contributions before passing them to the sponsor developer. Through the CIP, members can apply for advances (loans) to support affordable housing initiatives. This loan program is unique in that financial institution members can apply for advances that the Seattle Bank extends at 10 basis points below regular price, for terms from between five and 30 years. Rate locks are also available for periods up to 24 months. These loans are especially effective when they support housing and commercial development in distressed or rural areas where financial resources are scarce.

The AHP offers grants to member financial institutions and their community sponsors to stimulate affordable rental and homeownership opportunities for low-income households. AHP grants have been used in a variety of ways, including to: lower the interest rate on a loan, reduce mortgage principal, fund rehabilitation and new construction, and cover down payment and closing costs. AHP is funded with 10% of the Federal Home Loan Bank of Seattle's net income each year. On average, the Seattle Bank supports about 60 projects each year and awards roughly $7,000 for each unit developed.

The Home$tart program provides first-time homebuyers with downpayment assistance and closing costs by matching their financial contributions with $3 for every $1 up to $5,000. Households receiving public housing assistance qualify for a match of $2 for every $1 up to $10,000. Funds for Home$tart are available on a first-come, first-served basis, starting April 1. Approximately $5.5 million was available to support homebuyers in Federal Home Loan Bank of Seattle's region in 2004.

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[150] Ibid.
[151] FHLB Seattle, *Community Investment*, http://www.fhlbsea.com/FHLBSEA/main/communityinvestment3/.

b. Community Development Corporation of Utah

The Community Development Corporation of Utah is the sole Community Development Corporation (CDC) dedicated to housing development in Utah. This nonprofit agency serves the entire state. A HUD grant was used in 2000 to develop the CDC's Affordability Project. The Affordability Project is designed to take advantage of excess and donated building materials to reduce the cost of housing construction. By using below market cost building materials the agency anticipates the cost of constructing new housing units will be greatly reduced and the savings will be passed on to the new homebuyers.[152]

c. Utah Community Reinvestment Corporation (UCRC)

Established in 1999, UCRC commands $60 million in revolving credit from 32 member institutions. UCRC primarily works on multifamily rental development for low- to moderate-income renters. UCRC provides mortgage loans (oriented towards Section 42 and Section 8 properties), acquisition/rehabilitation loans, tax credit equity bridge loans, bond placements and technical assistance.[153]

d. Rural Collaborative

Rural Collaborative provides technical assistance and training, as well as an Affordable Housing Loan Fund, with an expedited application process to developers in Idaho, Montana, North and South Dakota, Oregon, and Utah.[154]

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[152] U.S. Department of HUD, *Community Profiles – State of Utah*.
[153] Utah Community Reinvestment Corporation, http://www.ucrc.biz.
[154] Rural Collaborative, http://www.shelterthewest.org.

VI. SMALL BUSINESS

Small business is important to Utah's economy, but less so than in many other states: 75% of firms in Utah employ fewer than 10 workers, and just over 10% of Utah's labor force is employed by such firms (36th nationally).[155] Business bankruptcies have decreased significantly in recent years,[156] although **firms' access to credit remains a significant problem**.[157] Utah earns middling scores in gender and racial cross-sections of business ownership, indicating room for improvement.[158]

A. SMALL BUSINESS NEEDS

1. General Background

Based on 2001 firm size data, 35,609 or **74.7% of all firms employ fewer than 10 employees, and just 10.3% of workers in Utah work for companies employing fewer than 10 (ranking 36th nationally).**[159] Business bankruptcies were down in 2003 to 519 from 602 in 2002 (a 13.8% reduction, 16th-best rate in the country).[160]

Self-employment by women increased by 37.5%, from 25,625 in 2002 to 35,243 in 2003, representing 42.1% of self-employed persons in the state. Women-owned businesses generated $5.1 billion in revenues, employed 54,135 workers, and constituted 42,000 firms or 24.8% of all firms in 1997. In 1997, 22.1% or 1,900 of the minority-owned businesses in the state were employer firms, and they generated 85.9% of the total minority owned business revenue of $1.2 billion. There were 4,700 Hispanic-owned businesses, 400 Black-owned businesses, 2,400 Asian and Pacific Islander-owned businesses, and 1,400 American Indian and Alaskan Native-owned businesses in 1997.[161]

2. CFED's Small Business Data from their Asset Development Report Card

Utah performs relatively poorly in CFED's rankings, with a below-median **entrepreneurship ranking of 29th**.[162] Eleven percent of the labor force in Utah own employer or non-employer firms, compared to 9% in Nevada (the lowest-ranking state) and nearly 20% in Montana (the highest-ranking state). Dividing small business ownership data by race and gender, Utah ranks 20th in minority entrepreneurship and 26th in women's business ownership. In many areas, **Utah lags behind the national average in the asset endowments of women relative to men**. Furthermore, minority- and women-owned businesses tend to be small. The state ranks 20th and 37th in these measures, respectively. The state ranks a **distant 29th in the level of private loans to small businesses**, possibly indicating an unmet need for credit.

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[155] U.S. Small Business Administration, *2001 County Business Patterns*.
[156] U.S. Small Business Administration, Office of Advocacy.
[157] CFED, *SADRC*.
[158] Ibid.
[159] U.S. Small Business Administration, *2001 County Business Patterns*.
[160] U.S. Small Business Administration, Office of Advocacy.
[161] U.S. Small Business Administration, *Small Business Profile: Utah*.
[162] Percentage of business ownership does not measure the amount of capital represented by small business. Source: CFED, *SADRC*, p. 107, which uses SBA and BLS data from 2000 and 2001.

3. CFED's Data from their Development Report Card for the States

CFED also publishes a report that ranks the 50 states according to economic benchmarks, business vitality, and development capacity. While not limited to small businesses, this report provides valuable insight into the health and vitality of the overall business sector. Utah is awarded middling grades, receiving a **"C" in Performance, a "C" in Business Vitality, and an"A" in Development Capacity**, representing a significant decrease in the rankings compared to 2003. The Performance score is brought down by lower than typical performance in earnings and resource efficiency. Business Vitality scores were hurt by poor competitiveness in addition to the fact that Utah received one of the **lowest scores nationally for business closings in 2003 (49th)**.[163] Utah scored very high in Development Capacity due to a vibrant research and development sector and strong performance in education measures despite its abysmal school spending ranking (49th). Utah's best scores were in charitable giving, infant mortality, heart disease incidence, and households with computers; its worst were in business closings, K-12 education expenditures, investment income, and the cost of urban housing.[164]

4. Progressive Policy Institute's 2002 State New Economy Index

Another measurement of the vitality of Utah's economy comes from the PPI's *State New Economy Index*, which aims to use a set of relatively novel indicators to measure the transformation of the state from a traditional manufacturing economy to an information and technology economy. The index is comprised of 17 indicators under the categories "Knowledge Jobs," "Globalization," "Economic Dynamism and Competition," "Transformation to a Digital Economy" and "Technological Innovation Capacity." In the PPI index, **Utah scores a solid 12th overall in the strength of its so-called New Economy.**[165]

5. Small Business Survival Index

Each year, the Small Business & Entrepreneurship Council publishes its *Small Business Survival Index*, which ranks each state on its policy environment for entrepreneurship. In October 2004, Utah ranked 28th overall among the states in a positive entrepreneurial environment. On individual categories provided in the appendices to the report, Utah's top- and bottom-quintile rankings were as follows (higher is always better):[166]

- Top corporate income tax rate: 9th
- Adjusted unemployment tax rate: 48th
- Per capita health care spending: 1st
- Electric utility costs: 7th
- Workers compensation premiums: 8th

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[163] Utah experiences a high level of 'job churning' (fourth highest in the nation). Thus, its business closures score alone is misleading because the state also has a high rate of startups.
[164] CFED, *Development Report Card for the State 2004*, http://drc.cfed.org/.
[165] Progressive Policy Institute, *New Economy Index 2002*, http://www.neweconomyindex.org/states/2002/utah.html.
[166] Small Business & Entrepreneurship Council, *Small Business Survival Index 2004*, http://www.sbsc.org/Media/pdf/SBSI_2004.pdf.

B. SMALL BUSINESS RESOURCES

1. CFED's Small Business Development Policy Rankings

Utah scores in the upper half (19th) in the nation for the amount of finance provided by Small Business Investment Companies (SBICs), with SBIC financing equaling $29.90 per worker in 2000.[167] However, as of 2001, the state did not have a Capital Access Program (CAP), employment ownership policy program or a self-employment option for unemployment insurance. Based on these observations, CFED makes a critical judgment of Utah's asset building policies.

2. State Government Business Development Agencies

The single most important business development agency is the Utah Division of Business and Economic Development (DBED). DBED operates many programs, the largest of which are listed below:[168]

a. International Business Development (IBD) Office

IBD's mission is to attract foreign companies to Utah and open foreign markets to Utah's exports. In 2004, IBD concluded trade missions to Qatar, Canada, and China.

b. Office of Technology and Science (OTS)

OTS has responsibility for the creation, implementation, and ongoing support of activities designed to promote the health and vibrancy of the state's technology-based business sector. Specific programmatic activities within the office include the Utah Technology Alliance, the State Centers of Excellence program, the Office of the State Science Advisor, and the Technology@Breakfast program. Through the fiscal year, the Office of Technology and Science's Utah Centers of Excellence Program leveraged a cumulative state investment of $37.7 million with non-state matching funds totaling more than $397 million.

c. Business Expansion and Retention (BEAR) Program

The mission of the BEAR is to promote the vitality, expansion and retention of existing Utah businesses. Its activities are divided into two categories: metro/urban programs and rural programs. Under the metro business development category, DBED operates the following programs:

- the **Business Visitation Program,** which in 2004 conducted more than 325 business visits statewide to determine needs of Utah businesses and to assist in expansion;
- the **Small Business Development Centers (SBDC)** program**,** a partnership between the State of Utah, the Small Business Administration (SBA), and local colleges and universities. The partnership maintains 11 SBDC Centers and eight satellite offices;
- the **Enterprise Zone and Recycling Market Development Zones** program, which offers tax credits for investments and job creation by businesses located within the

[167] CFED, *SADRC*, pp. 143-149.
[168] Descriptions for all programs contained in Utah DCED, *Annual Report 2004*.

zone. One hundred and forty five businesses earned more than $1,592,000 in tax credits from Utah Enterprise Zones and Recycling Market Development Zones; and

- the **Utah Procurement Technical Assistance Center (PTAC),** a partnership between BEAR and the Department of Defense to provide Utah's small businesses with counseling, technical assistance, and any other resources required to successfully compete for government contracts. Services are available throughout the State through working agreements with local SBDCs or Associations of Governments.

BEAR operates another category of programs oriented towards rural businesses, which includes the following programs:

- the **Utah Smart Site Program** works to create technology-based jobs in rural Utah. In 2003, the program received the Innovation Excellence in Economic Development award from the U.S. Department of Commerce and an award from Southern Utah University for creating rural technology-based jobs and providing rural technology-related training. Key program accomplishments through the end of FY 2004 include: 1,094 new rural technology-related jobs, more than $400 million in federal contracts, legislation providing $300,000 to encourage state agencies to contract with Utah Smart Sites, and online technology-based training provided to 1,338 rural Utahns;
- the **Governor's Rural Partnership Office,** newly created in 2004, will support the Governor's Rural Partnership Board in creating an annual Rural Action Agenda as well as providing oversight for the Utah Smart Site and Main Street programs;[169] and
- **Pioneer Communities/Main Street**, which provides training and guidance in economic development, streetscape design, architecture, marketing, and organizational development aimed at enhancing downtown's appearance, strengthening its business environment, effectively marketing it, and building community pride.

d. Utah Incentive Funds

DBED operates two incentive funds in Utah. The first is the **Utah Industrial Assistance Fund**, a $25 million post-performance disbursement grant created by the Utah State Legislature in 1991 to provide fund the establishment, relocation, or development of industry in Utah. In FY 2004 a total of 17 companies were funded, including two special legislative projects. With assistance from the IAF, 3,485 jobs will be created, paying an average salary of $37,400 and generating a potential $123 million in new tax dollars. There are four incentive programs within the Industrial Assistance Fund:

- the Rural Incentive Program funds companies that are relocating or expanding outside Davis, Weber, Salt Lake, and Utah counties;
- the Targeted Industries Incentive Program attracts corporate headquarters, biotechnology, medical devices, aerospace, bioinformatics, digital media, Web services, and information technology companies;
- the Corporate Incentives Program provides disbursements reserved for projects with extraordinary growth potential involving heavy capital investment, large numbers of new jobs, a high average salary, and significant Utah purchases;

[169] Utah DCED Rural Development, *Rural Resource Center*, http://rural.utah.gov/rural_resource_center/.

- the Economic Opportunities Program provides incentives to the film industry ($1 million earmarked in 2004) and other miscellaneous activities ($400,000 in 2004).

The second incentive fund is the **Private Activity Bond** (PAB). Created under the federal Tax Act of 1986, states are allowed to allocate a certain amount of tax-exempt bonds based on their population. A total of $18.2 million in PAB funding was made in 2004.

3. The Small Business Development Center (SBDC) Network

The Business Development Program partners with the U.S. Small Business Administration and colleges and universities around Utah to fund 12 SBDC offices that provide one-on-one counseling and training for Utah small business owners.[170] The program also provides sponsorship for training courses that are taught statewide. These courses focus on entrepreneurial and business startup training. SBDCs provide an array of services to small business owners statewide. However, the SBDC presence has diminished somewhat in recent years due to restructuring.[171]

4. USDA Rural Development

The USDA operates the Rural Business Investment Program (RBIP) in partnership with the Small Business Administration (SBA). The SBA selects and licenses applicants to become Rural Business Investment Companies (RBIC), and determines eligibility for financial assistance and grant awards under the RBIP funded by the USDA. In addition to RBIP, the USDA also operates a number of its own grant programs for eligible rural businesses of all sizes. Details about the programs are offered on the USDA Rural Development website,[172] and include the Rural Business Enterprise Grant Program, the Rural Business Opportunity Grant Program, the Rural Economic Development Loan and Grant Program, and the Renewal Energy Systems/Energy Efficiency Improvements Program

5. U.S. Small Business Administration

The SBA office in Salt Lake City operates its 7(a) and 504 loan guarantee programs in Utah through partnerships with local financial institutions through its Certified Lender Program, Express Lender Program, and Small Business Investment Company Program. The SBA is also involved in SBDCs and cooperates with state business development agencies.[173]

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[170] SBDC Directory, http://www.slcc.edu/sbdc/.
[171] Graham, Steve, Utah Community Reinvestment Corporation (Personal correspondence 1/05).
[172] U.S. Department of Agriculture, Rural Development, *Business and Cooperative Programs*, http://www.rurdev.usda.gov/rbs/.
[173] U.S. Small Business Administration, Utah District Office, http://www.sba.gov/ut/.

VII. POVERTY AND ASSET ACCUMULATION

Utah generally scores well on measures of poverty and asset accumulation. The average poverty rate between 2000 and 2003 was 9.8% (17th-lowest in the nation).[174] The 2003 rate was slightly higher at 10.6%.[175] Areas needing improvement include increasing access to credit (while reducing the highest personal bankruptcy rate in the nation), improving Utahns' net worth, and narrowing the gender gap in poverty and asset measures.

A. POVERTY AND ASSET ACCUMULATION NEEDS

1. Poverty Statistics

The average poverty rate between 2001 and 2003 was 9.8%.[176] **In 2003, 10.6% of Utahns were living in poverty**, nearly two percentage points below the national rate of 12.5% and virtually identical to the 2002 statewide rate. Real median household income declined slightly for Utah between 2002 and 2003 to $46,873,[177] while Utah's poverty rate remained virtually unchanged. **35% of Utahns were living at or below 200% of the federal poverty level between 2002 and 2003**, putting Utah near the national median.[178]

The percentage of uninsured in Utah between 2001 and 2003 averaged 13.6%;[179] however, as many as **32% of Utahns below the poverty rate are uninsured.**[180]

County Poverty Rates, 2002

	All ages in poverty		*Median household income*
	Number	*Percent*	*Estimate*
Beaver County	608	10.3	37,436
Box Elder County	3,426	7.7	46,618
Cache County	9,623	10.3	40,857
Carbon County	2,447	12.6	36,132
Daggett County	66	8.1	32,699
Davis County	16,545	6.5	55,623
Duchesne County	2,037	13.9	34,962
Emery County	1,178	11.1	40,759
Garfield County	504	11.4	33,964
Grand County	1,291	14.8	31,221
Iron County	5,184	14.7	34,096
Juab County	841	9.6	39,930
Kane County	659	10.9	34,455
Millard County	1,447	11.7	37,852
Morgan County	320	4.2	55,981
Piute County	211	15.3	28,399
Rich County	180	8.9	41,220
Salt Lake County	86,305	9.4	47,892
San Juan County	3,440	25.1	27,111

[174] U.S. Census Bureau, *Poverty and Health Insurance Coverage in the United States: 2003*.
[175] Urban Issues, *Poverty in Utah 2003*.
[176] Ibid.
[177] Ibid.
[178] Kaiser Family Foundation, *Distribution of Total Population by Federal Poverty Level*.
[179] U.S. Census Bureau, *Poverty and Health Insurance Coverage in the United States: 2003*.
[180] Urban Issues, *State of Working Utah 2004*.

Sanpete County	3,261	14.6	33,944
Sevier County	2,337	12.5	36,721
Summit County	1,958	5.9	66,037
Tooele County	3,242	6.9	49,575
Uintah County	3,230	12.4	36,958
Utah County	41,589	10.6	45,773
Wasatch County	1,273	7.3	50,615
Washington County	12,363	12	37,850
Wayne County	331	13.5	31,545
Weber County	18,817	9.2	46,160
Utah	**224,715**	**9.7**	**46,165**

Source: U.S. Census Bureau[181]

2. Personal Bankruptcy Filings

Utah's **rate of personal bankruptcy filings is the highest in the country** at 27.4 filings per 1,000 households at the end of 2003.[182]

3. CFED Asset Outcome Ranking

In CFED's overall grading scheme, **Utah won the top grade of "A" in asset outcomes.**[183] While CFED examines a variety of data in reaching its conclusions, the grades are primarily supported by strong marks in the areas of human capital development. However, Utah is one of the lowest-scoring states in terms of per-pupil K-12 expenditures and need-based aid to undergraduates, as well as almost entirely lacking business capital and bank access policies. These low scores are reflected in a weaker asset policy grade and may warrant further attention if Utah's strong asset outcome scores are to be sustained.

a. Net Worth and Asset Poverty Statistics

Utah has a below-average (32nd) net worth per household ($100,567). It has one of the smallest gaps in the nation between assets of men and women (fifth). Asset poverty means that a household does not have the resources to support itself for three months in isolation. **One fifth of households are asset poor and 15% have zero net worth (14th and 32nd in the nation, respectively**). This signifies a significant level of vulnerability for Utah households.

b. Human Capital and Insurance-Related Statistics

The state scores very well on measures of human capital accumulation. Education is spread somewhat equitably by race: Utah has the 13th-smallest minority attainment gap. **The gender gap is a distinct problem here: Utah ranks 43rd with 47% higher college attendance for men compared to women**. Health insurance in part strengthens Utah's high score, with high rates of insured low-income parents (eighth) but weaker rates of insured low-income children (20th).

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[181] U.S. Census Bureau, *Small Area Income and Poverty Estimates (SAIPE)*, http://www.census.gov/hhes/www/saipe/.
[182] FDIC, *Utah State Profile, Summer 2004*. See also American Bankruptcy Institute, http://www.abiworld.com.
[183] CFED, *SADRC*, p. 75.

Head Start program coverage is above the median level (18th), with 21.5% of children ages 0-5 who are in poverty served by a Head Start program as of 2001.[184] Utah fares well in college attainment as well, with **8.9% of those over 25 holding at least an associate's degree (third) and with over 29% of household heads having at least a bachelor's degree (eighth)**. Utah performs *relatively* well in college attainment by race, with 44% more white heads of households having college degrees than minority heads of household (third). The gap in achievement between income groups is also striking: over five times as many degree holders come from the top 20% of residents as come from the bottom quintile, which is, however, relatively good for the nation at large, placing the state 16th.[185] Once more, the key issue is access by gender, with 47% more male heads of household holding degrees than female heads of household (giving the state a weak score of 43rd).

Finally, Utah has high scores on insurance-related comparatives. In 2000, the state ranked seventh in the percentage of non-elderly covered by employer health plans and only marginally weaker in insurance for low-income children and parents (20th and eighth).

4. The Asset Development Institute's Asset Index

In September 2002, the Asset Development Institute at Brandeis University published a report entitled *The Asset Index: Measuring The Progress Of States In Promoting Economic Security And Opportunity*. The report presents state-by-state data on individual outcomes for job-based and related income assets, human capital, and financial assets. These outcomes are the primary indicators of the economic security people have and the opportunity they enjoy. For each of these three categories, the report presents a cluster of indicators that point to important related asset-based outcomes and provides the numerical outcome for residents on each indicator as well as a national rank for on each indicator (for all indicators, first is "best" and 50th is "worst").

Utah ranks among the top 10 states for 10 indicators and among the lowest 10 states for four indicators. The state's **worst rankings are in the areas of personal bankruptcies and inequality in the ownership distribution across income classes of interest- and dividend-paying assets**. The study's authors conclude that "residents of Utah, compared to those of other states, have had relatively less success in accumulating financial assets and relatively more in gaining job-based and related income assets and building human capital."[186]

5. IDA Policy

Utah lacks a state-sponsored IDA plan, but does include provisions for IDAs in the state TANF plan. IDA legislation passed in 1997, but plans were never developed to realize a state IDA.[187] As of 2004, only one IDA existed in Utah, a pilot program with limited eligibility.[188] The state TANF plan is limited to those with under $2000 in assets with an $8000 vehicle exclusion.[189]

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[184] Ibid, p. 99.
[185] Ibid, p. 99-105.
[186] The Asset Development Institute, *The Asset Index: Measuring The Progress Of States In Promoting Economic Security And Opportunity, September 2002*, http://www.centeronhunger.org/pdf/ASSETINDEX.pdf.
[187] Washington University in St. Louis Center for Social Development, *State Assets Policy – Utah*, http://gwbweb.wustl.edu/csd/policy/states/utah.html.
[188] CFED, *IDA Network*, http://www.idanetwork.org/index.php?section=state&page=state.php&state=ut.
[189] Department of Health and Human Services, *TANF Annual Report to Congress November 2004*, Chapter 12. Retrieved from http://www.acf.hhs.gov/programs/ofa/annualreport6/chapter12/chap12.htm.

B. POVERTY AND ASSET ACCUMULATION RESOURCES

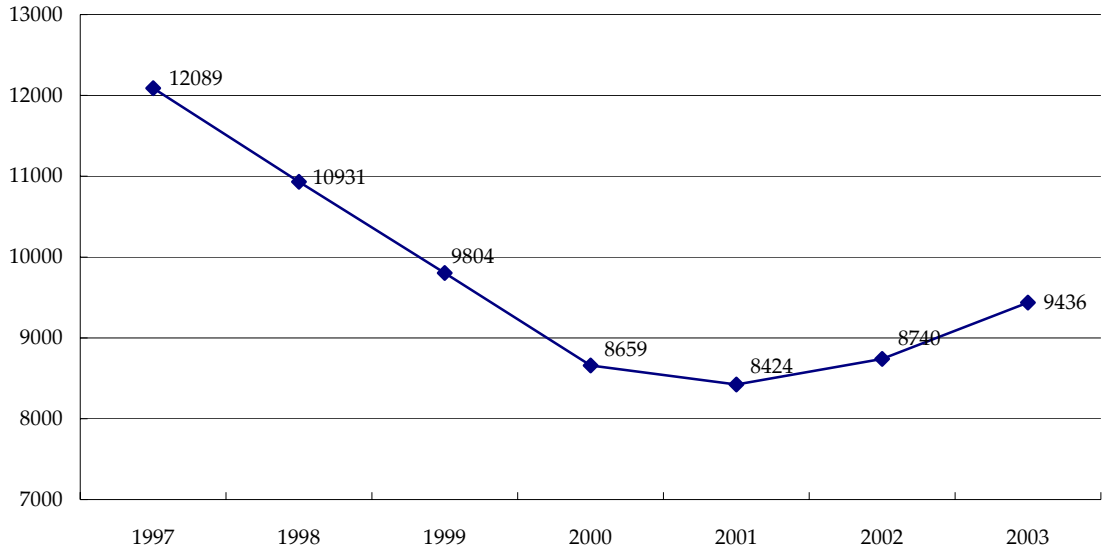
1. Income and Work Supports

Utah operates several types of income support programs: the state TANF program (called the Family Employment Program or FEP), the state General Assistance program (GA), state Unemployment Insurance (UI), assisted child care and the federal Earned Income Tax Credit (EITC).

FEP caseloads declined 57% during welfare reform between 1993 and 2001. FEP currently has a 36-month lifetime limit and is not tied to inflation. In years prior to 2001, FEP enrollment had declined, but enrollment has increased every year since 2001.

The General Assistance Program is a state program designed to provide assistance to childless adults who are medically unable to work for a period greater than 30 days. It provides individuals with $261 per month and couples with $362. GA also requires that recipients become enrolled in the state Primary Care Network, a basic health insurance system for uninsured adults. In 2000, the Department of Workforce Services limited GA to no more than 24 months in a 60-month period, but GA caseloads have nonetheless increased from 1,100 in 1998 to 2,000 in 2003.[190]

FEP Caseloads, 1997-2003



Source: Urban Issues, *Poverty in Utah 2003.*

2. Nutritional Support Programs

Utah operates programs that serve impoverished individuals and families. The Food Stamp program is a federally funded program that is administered in Utah by the Department of

[190] Urban Issues, *Poverty in Utah 2003*.

Workforce Services. Statewide, the **Food Stamp caseload grew by 5,700 or 14.4% between 2002 and 2003**. The counties with the largest percentage increases were Daggett (4 cases or 66%), Morgan (6 cases or 24%), Summit (23 cases or 23%), Juan (30 cases or 22%), and Piute (5 cases or 20%).

The Special Supplemental Nutrition Program for **Women, Infants and Children (WIC) has seen a participation increase of 56% since 1990 to a caseload of 63,945 in 2003**. The Senior Food program reached 9,158 people in 2003, and the number of food boxes provided by emergency food pantries (such as shelters) increased 6.5% in 2003 to 224,780.[191]

3. Community Services Block Grant Program (CSBG)

The CSBG Program is a federal appropriation that is administered by agencies across the state to combat poverty directly. In FY 2000, more than 60,000 people received benefits from the program. The CSBG network provides education assistance, income management training, emergency housing, and nutrition services.[192]

4. CFED's Asset Policy Rankings

CFED gives Utah a "D" in Asset Policy, in stark contrast to the state's "A" in Asset Outcomes. CFED lauds the state's performance in education measures and good standings in low-income health care, but harshly criticizes the abysmally low level of education spending and lack of policies to promote financial asset building.

a. IDA Policy

While Utah does include IDAs in its TANF plan, the state did not operate an IDA program as of 2004. Furthermore, the state has not appropriated any money for IDAs. In the end, Utah is one of the lowest-scoring states in terms of how well IDAs have been incorporated into poverty alleviation efforts.[193]

b. Other Financial Asset Building Policy Rankings

Utah's state income tax threshold for a one-parent family of three is $12,800, which is 27th-lowest in the nation. The problem is compounded by the fact that Utah lacked an EITC program as of the year 2000. Utah does not have a state minimum wage above the federal level. Utah is identified as one of the 12 harshest states in the nation in progressive asset limits for public assistance, with low TANF and Medicaid asset limits but a high vehicle exclusion ceiling.[194]

c. Human Capital Development Policy Rankings

Utah's rankings by CFED for its human capital development policies are almost universally negative – with a few major caveats. While as much as 21.5% of young students in poverty are

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[191] Ibid.
[192] U.S. Department of HUD, *Community Profile – State of Utah*, http://www.hud.gov/local/ut/community/cmmprofilesutah2002.cfm.
[193] CFED, *SADRC*, p. 78.
[194] Ibid, pp. 125-127.

covered by the Head Start program (above median for the country), the state does not provide supplementary funds. **The state is ranked 25th in funding for customized job training and 49th in K-12 per-pupil expenditures**, making these two areas of extreme need. Utah rates 39th in the level of need-based aid available to undergraduates. On the bright side, the state ranks third in school spending equalization, with only a 1% difference in spending between schools above and below the median.[195]

d. Wage Protection Policy Rankings

Utah earns mediocre scores in the array of CFED wage protection policy measures. The state ranks a healthy 13th in the country for workers compensation coverage (with 91.6% of workers covered) but a distant 32nd in the level of benefits paid out under the state plan. Utah ranks 15th in the level of unemployment benefits, paying 39% of the state's average wage to recipients. Utah has yet to implement any of three common reforms made to unemployment insurance plans (covering minimum wage earners and part-time workers and using an alternative base period).

e. Health Insurance Policy Rankings

Weak scores in policy contribute to the state's "D" ranking. Utah scores 33rd in the eligibility of low-income parents for publicly funded insurance. Furthermore, the state has not expanded coverage to low-income adults without children, and offers only a small tax credit to eligible firms that cover 50% or more of an employee's health insurance.[196] To the state's credit, Utah provides a generous 24 months of transitional medical assistance once a family or individual's income rises above the state eligibility threshold.[197]

f. Property Protection Policy

Property protection policy measures are intended to assess how well a state protects homeowners against loss of equity. Utah lacks anti-predatory lending legislation and does not require disclosure from property insurers to protect against redlining.[198]

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[195] Ibid, pp. 135-140.
[196] The tax credit (not noted by CFED) is $200 per year for the first two years an employee is hired when the eligible firm pays at least 50% of the new employee's health insurance. Meyer, Ed, State of Utah (Personal correspondence, 12/20/04).
[197] CFED, *SADRC*, pp. 163-165.
[198] Ibid, pp. 166-169.

VIII. NATIVE AMERICANS AND IMMIGRANTS

By any measure, Utah's American Indians face seriously deficient community development outcomes. Utah's population is 1.3% Native American (the 11th-highest proportion nationwide), and this relatively large population has a poverty rate of 33.4% - three times Utah's average. The American Indian community exhibits depressed housing values and weaker infrastructure and human capital outcomes than is the case for rest of Utahns.

Immigrants to Utah represent over 7% of Utah's population and have grown rapidly between 1990 and 2000. More immigrants to Utah are Hispanic than is the case nationally: 55% of foreign-born in 2000 were from Latin America versus 51% at the national level, and fully 53% of foreign-born reported Hispanic origin compared to 45.5% at the national level. Foreign-born non-citizens are far more likely to be in poverty than either foreign-born citizens or the rest of Utah's residents.

A. NATIVE AMERICAN NEEDS

1. The Native Population in Utah

Utah is ranked 20th in the size of the overall American Indian/Alaska Native (AIAN) population, with 30,045 living in the state in 2000, a number 18.4% higher than the 1990 figure. **Utah ranks 11th the percentage of the population represented by AIAN residents (1.3%).**[199] Around 10,000 American Indians were living on reservations in the state in 2000.[200] Utah has five reservation systems: the Goshute, the Paiute reservations of five distinct bands, the Utah part of the Navajo reservation in Arizona, the Skull Valley reservation, and the Uintah-Ouray reservation.

American Indian Reservations in Utah

	Goshute	*Pauite*	*Skull Valley*	*Uintah-Ouray*
Area (acres)	112,085	32,036	17,444	2,100,000
Labor Force	60	166	5	798
Percent HS graduate or higher	52.1	--	--	52.3
Percent college graduate or higher	8.3	--	--	4.1
Unemployment	28.6	45	--	28.6
Per Capita Income	$1,939	$7,042	$20,647	$4,520
Population	86	--	25	3,154
Tribal Enrollment	411	668	111	3,154

Source: U.S. Department of Commerce[201]

The 2000 Census contains detailed data about the 25,549 Utahns who reported only American Indian ethnicity. The main tribes in Utah are the Navajo (14,634), the Ute (2,940), Cherokee (736), Paiute (668), Sioux (655) and Shoshone (589).[202] Forty-eight percent of families

[199] U.S. Census Bureau, Census 2000 Data.
[200] Ibid.
[201] U.S. Department of Commerce, Economic Development Administration, *Utah*, http://www.eda.gov/PDF/40Utah.pdf.
[202] U.S. Census Bureau, *American Indian and Alaska Native Tribes for the United States, Regions, Divisions, and States*, http://www.census.gov/population/www/cen2000/phc-t18.html.

primarily speak a language besides English at home, and 15.4% of the population is in households where the head of house speaks English less than very well.[203]

2. Statistics on Native Americans

While Utah's poverty rate for individuals was 9.4% in 2000, the **individual poverty rate in the AIAN community was a striking 33.4%**. The median income of AIAN households was $27,000, far below the state median household income of $45,726. The data shows that **American Indians are far less likely to have college degrees** (9.1% for Indians versus 26.1% for the state as a whole). Seventy-one percent of Utahns own homes and 28.5% rent, but within the Indian community, only 54.2% own homes and 45.8% rent. **The average American Indian household is also 15% larger than the average Utahn household** (3.6 persons compared to 3.1 persons). While the state has a 5% rate of unemployment among the civilian labor force, the **unemployment rate for the Native population is 15%**.[204]

American Indian families are **far more likely to live in poverty, be unemployed and rent their homes**. Within the Native community, the median value of homes is $80,700, far below the state average. Thirty-eight percent of renters are paying over 30% of gross income towards rent and 24.8% of owners are paying 30% or more of gross income towards costs associated with homeownership, suggesting that American Indians **are having significant difficulty paying for housing. Furthermore, housing quality is deficient as well**: 10% of homes lack complete plumbing (compared to 0.4% statewide) and 25% of homes lack telephone service (compared to 1.5% across the state).[205]

B. NATIVE AMERICAN RESOURCES

1. State Programs

The primary state agency responsible for dealing with issues with relevance to the AIAN population of Utah is the State Department of Commerce's Division of Indian Affairs.[206] The Utah **Division of Indian Affairs** (UDIA) was created in 1953; it serves as the Indian Affairs authority for the state of Utah with the task of coordinating public policy interests of the governor's office with those of the Native American population, monitoring State and Federal Indian legislation which impacts Utah Indian Tribe and to develop programs and services, provide alternatives, and implement solutions that will allow Indian citizens an opportunity to share in the progress of the state of Utah.

In its 1999 Annual Report, UDIA outlines its activities as based on capacity-building events. Every year, the UDIA sponsors an economic development summit that is widely attended by tribal leaders, state officials, and private business leaders. UDIA is in the process of developing its 'Circle of Wellness' project, a community center in Salt Lake City. UDIA also worked with universities and libraries to encourage expansion of materials relevant to the study of the American Indians of Utah. Finally, UDIA participated in conferences on lending available to

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[203] U.S. Census Bureau, Census 2000 Data.
[204] Ibid.
[205] Ibid.
[206] Utah Department of Community and Economic Development, Division of Indian Affairs, http://dced.utah.gov/indian/index.html.

Utah tribes and tribal members on reservation lands as well as participating in the Federal Reserve Bank of San Francisco's Sovereign Lending Task Force meetings.[207]

Two funds, the **Navajo Revitalization Fund** (NRF) and the **Uintah Basin Revitalization Fund** (UBRF), provide matching grants or loans for capital improvement projects to tribal interests that are impacted by the development of oil and gas interests held "in trust" for the Navajo and Ute tribes and their members. The value of NRF projects in 2004 was $1.1 million, and UBRF projects amounted to $413,000.

2. National Programs

The federal government provides many services specifically targeted towards the AIAN community. The Bureau of Indian Affairs maintains a comprehensive list, and most major domestically-oriented federal agencies offer specialized programs:

a. Department of Health and Human Services

All members of federally recognized Indian tribes and their descendants are eligible for services provided by the Indian Health Service (IHS). IHS operates a comprehensive health service delivery system for 1.6 million of the nation's estimated 2.6 million American Indians and Alaska Natives. Its annual appropriation is approximately $3.5 billion.

In addition to the IHS, HHS also operates the Administration for Native Americans (ANA) under the Administration for Children and Families. Through ANA, HHS offers three grant programs: Social and Economic Development Strategies (SEDS), Environmental Regulatory Enhancement, and Native Language Preservation and Maintenance, with a combined total outpayment in 2003 of $25.6 million.[208]

b. Department of Housing and Urban Development

HUD operates the Native eDGE program and also hosts an interagency news site, *Code Talk*, designed specifically to deliver electronic information from government agencies and other organizations to Native American communities.[209]

c. Department of Labor

The Department of Labor offers culturally-sensitive job training and employment programs through its office of Indian and Native American Programs.[210]

d. Small Business Administration

The task of the Office of Native Affairs[211] is to improve awareness of SBA programs and the access of AIAN entrepreneurs to the business services offered by the SBA.

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[207] Utah Department of Community and Economic Development, Division of Indian Affairs, *Annual Report 1999*, http://dced.utah.gov/Annrpt99/indian.html.
[208] ACF Administration for Native Americans, *ANA Administered Grant Programs*, http://www.acf.hhs.gov/programs/ana/programs/index.html.
[209] U.S. Department of HUD, http://www.codetalk.fed.us/.
[210] U.S. Department of Labor, http://www.doleta.gov/DINAP/.

e. Department of Agriculture

The USDA American Indian Council (AIC)[212] is an employee organization, formed to give a voice to the American Indian and Alaska Native community and culture within the US Department of Agriculture. The AIC seeks to support the Secretary's diversity initiatives and works to promote cultural awareness among USDA employees. The USDA also provides a *Guide to Programs for American Indians and Alaska Natives,*[213] which catalogues seven major types of assistance available to AIAN communities: environment, agriculture, rural development, nutrition, food safety, economic research, and marketing.

C. IMMIGRANT NEEDS

1. Immigrant Totals

In 2000, 7.1% of Utah's total population was foreign born (20th nationally), compared with 3.4% in 1990. At the national level, the foreign-born population represented 11.1% of the total population in 2000, compared with 7.9% in 1990. **The percentage growth of the foreign-born population in Utah ranks fifth nationally at 171% between 1990 and 2000**. At the national level, the foreign-born population increased 57.4% during the same time period.

In Utah in 2000, 53.3% of the foreign born reported Hispanic origin (only 45.5% reported Hispanic origin at the national level). Eighty-two percent of the foreign born in Utah speak a language other than English at home – 23.6% of foreign born reported an ability to speak English "not well," and 11.7% "not at all" (these levels are 22.9% and 12.2% nationally).

One fifth of foreign-born Utahns earned incomes below the federal poverty level in 2000. Eight percent of foreign-born citizens lived in poverty compared with 24.3% of foreign-born non-citizens. At the national level, 17.9% had a 1999 income below poverty level, with 10.6% of foreign-born citizens and 22.8% of foreign-born non-citizens living in poverty. **Thirty percent of all foreign born in Utah are citizens, significantly lower than the 40% national figure**.[214]

2. Origin of Immigrants

Most of Utah's foreign born are from Latin America. Of the total foreign born in Utah in 2000, 55.4% were from Latin America, 17.9% from Asia, and 16.2% from Europe. At the national level, 51.7% of the foreign born were from Latin America, 26.4% from Asia, and 15.8% percent from Europe (with the remainder from Africa, elsewhere in North America, and Oceania).

The top three countries of birth for the foreign born in Utah were Mexico, Canada, and

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[211] U.S. Small Business Administration, http://www.sba.gov/naa/.
[212] U.S. Department of Agriculture, http://www.usda.gov/da/employ/AICHomePage.htm.
[213] U.S. Department of Agriculture, Office of Congressional and Intergovernmental Relations, *Guide to USDA Programs for American Indians and Alaska Natives,* http://www.usda.gov/news/pubs/indians/open.html.
[214] U.S. Census Bureau, Census 2000 Data. 2004 Immigration data is also collected and analyzed by the Utah Governor's Office, http://www.governor.utah.gov/dea/ERG/ERG2004/23Immigrants.pdf. Utah Legal Services, Inc. maintains an eligibility handbook that describes specific immigration eligibility rules, http://www.uls.state.ut.us/uls/flyers/pb092603.htm.

Germany. Of the total foreign born in Utah, 41.9% were born in Mexico, 4.9% in Canada, and 3.2% in Germany. At the national level, the top three countries of birth were Mexico (29.5%), the Philippines (4.4%), and India (3.3%).[215]

D. IMMIGRANT RESOURCES

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), significantly changed the eligibility of non-citizens for Federal means-tested public benefits. Under PRWORA, states have the option to provide or deny TANF and Medicaid to qualified aliens residing in the U.S. before August 22, 1996, the date of enactment of the welfare reform law. New arrivals, other than refugees, are barred from federal means-tested benefits for their first five years in the country. Emergency medical assistance must be provided to both qualified and not qualified aliens. The law permits immunizations and testing and treatment for communicable disease, but prohibits the use of Medicaid funds for such purposes. Utah Reathorization Project (UREAP) has been working for relaxation of restrictions on eligibility for state and federal programs for immigrants.[216]

Utah provides up to 36 months of cash assistance to legal resident non-citizens barred from receipt of federal benefits.[217] In addition, the Department of Workforce Services operates the Refugee Resettlement Program, which provides for the effective resettlement of refugees and assists refugees in achieving economic self-sufficiency through employment and cash/medical assistance.[218] The **Refugee Cash Assistance** Program (RCA) provides Federal funding to cover the cost of financial assistance to refugees. Refugee Cash Assistance is limited to up to eight months from the month of entry into the U.S. The Refugee Cash Assistance Program connects refugees to appropriate activities such as job search, job training, adult education, skill training, community work, English language training, and other employment related activities. The **Refugee Medical Assistance** (RMA) Program provides Federal funding for limited medical coverage to refugees not eligible for Medicaid. Refugee Medical Assistance is also limited to up to 8 months from the month of entry into the U.S.

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[215] U.S. Census Bureau, Census 2000 Data.
[216] Salt Lake Community Action Program, *Food Stamp Program Reauthorization (October 26, 2001 Position Paper)*, http://www.slcap.org/UREAP/UREAPFSPposprfinal.html.
[217] National Conference of State Legislatures, *Welfare Reform and Immigrants: State Trends*, http://www.ncsl.org/statefed/trends2.htm.
[218] Utah Department of Workforce Services, *Utah Refugee Resettlement Program*, http://wi.dws.state.ut.us/services/financial/refuge.asp.